Daily Report

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Five Yugoslavs Accused of Violating UN Embargo

AU0906140393 Paris AFP in English 1233 GMT 9 Jun 93

[Text] Tirana, June 9 (AFP)—Five Yugoslav citizens have been arrested in Albania for allegedly trying to smuggle oil into rump Yugoslavia in violation of the U.N. embargo, the Tirana public prosecutor said in a press statement Wednesday.

The five have been in prison in Tirana since the beginning of May waiting for the case against them to be continued.

Sources in Tirana said several Albanian officials were implicated in the affair which came to light when the five Yugoslavs were allegedly found on board the Greek ship Nikos.

According to the prosecutor's statement, the Nikos was officially meant to be transporting 860 tonnes of oil from Greece to Slovenia, but its actual destination was allegedly Montenegro.

The boat was seized at Sarande in the south of Albania after its Greek crew was changed for a Yugoslav crew at Durres in the north of the country. Among the Yugoslav crew were certain members trying to enter Albania illegally, the statement added.

Despite the United Nations embargo imposed in May 1992, millions of tonnes of petrol shipments are still thought to be getting through to Yugoslavia which is facing a desperate fuel shortage as the sanctions begin to bite.

The Yugoslav ambassador in Tirana confirmed to AFP that five Yugoslavs were being held in connection with the affair.

According to the newspaper SHQIP, the first secretary of the Albanian ambassador in Belgrade, Suleiman Lani, was arrested on May 2 and charged with having given six-month visas to two of the Yugoslavs arrested on the Nikos including the captain Dejan Djurdjevic.

The sacking last Friday of the head of the Albanian navy Commander Sipim Halili and the recent dismissals of the head of the Albanian ports Capaev Sile and the Vice Defence Minister Fatmir Mema are also thought in Tirana to be linked to the affair.

Serreqi, Kopliku Brief Ambassadors on Kosovo

AU0906204393 Tirana ATA in English 1717 GMT 9 Jun 93

[Text] Tirana, June 9 (ATA)—On June 8, Bashkim Kopliku, deputy prime minister, and Alfred Serreqi, foreign minister, met at the Foreign Ministry with heads of the diplomatic corps accredited in Tirana.

Mr. Kopliku briefed the ambassadors on the latest decision of the Council of Ministers on some action to step up privatization of small and medium-sized enterprises. Referring to the address of President Berisha and the plan in regard to the solution of Kosova issue declared in Korce, Mr. Serreqi pointed to the circumstances and peculiarities of the Albanian reality which determine the Albanian foreign policy.

Action Which Encourages Initiative and Workers' Interests

Mr. Kopliku explained what made it necessary for the government to take such an action. He underlined that stepping up of privatization is one of the principal issues of the economic reform. This decision regards as small and medium-sized enterprises workshops, restaurants, hotels, shops, storehouses, etc., and a part of their premises valued no more than 500 thousand U.S. dollars or with no more than 300 workers. There are over 500 enterprises of the kind in Albania. The privatization of these enterprises is to be done mainly by auction.

Explaining in details this action, Mr. Kopliku focused on the role and competences of the National Privatization Agency and its branches in districts, the auction procedure, beginning with the advertisement on the privatization of enterprises, detailed information in such a case, the rights and competences of the Board of the National Privatization Agency and the boards in districts and other aspects of this action. "We wish to privatize these enterprises and their owners know better than any government what to do with them," Mr. Kopliku underlined. He substantiated that the decision of the government encourages the initiative and the workers' interests, decentralizes almost the whole process of privatization and auction.

Mr. Kopliku underlined the conditions and opportunities created to foreigners to take part in the auction.

The ambassadors took interest in this decision and asked questions on special aspects of this law. They underlined the necessity to provide the world with more detailed information.

Appreciation of the Albanian Factor—Key to the Solution of the Problems in the Region

At the meeting with foreign ambassadors, Minister Serreqi appealed to the international community to take concrete action in order to settle the Kosova issue. "There is no time to waste," he underlined and declared that Albania will submit this issue at the UN Security Council. There can be no final solution of the crisis in former Yugoslavia without a definite solution of Kosova issue. In this context he put emphasis on the attitude of the Albanian Government for political solution.

"Europe has not realized the role of the Albanians in the Balkans. The appreciation of values and the rights of the Albanians is the key to the solution of problems in the region."

Minister Serreqi underlined the circumstances under which the Albanian foreign policy develops presently, at

a time when Albania has definitely turned its eyes on democracy, when it is faced with the hardships of the transition period and the great national issue. The Albanian foreign policy observes the international documents and norms. Alfred Serreqi thanked the European Community member countries and the other countries for the help they provided Albania with. He demanded from the international community to put energetic pressure to prevent the spillover of the conflict in Kosova. Minister Serreqi appreciated the stationing of CSCE mission in Kosova but this is insufficient, he said. In this context we persist that the international public support the eight point plan of President Berisha. We are sure it is quite possible to find ways and means to settle the Kosova issue owing to political will.

Officials Meet Shkoder Hunger Strikers

AU0906180393 Tirana ATA in English 0825 GMT 9 Jun 93

[Text] Tirana, June 9 (ATA)—The Press and Information Office close to the president reports that on June 7, Ali Spahia, leader of the parliamentary group of the Democratic Party, Kolec Topalli, secretary general of the Presidency, Dashamir Shehi, minister of labour and emigration, and the local power representatives met with the hunger strikers of the city of Shkoder. The meeting lasted for hours on end.

They expressed the readiness that the initiative of citizens be in full conformity with the laws and asked the strikers to end the strike.

The strikers demanded to submit to the parliament the legislative initiative of their associations in keeping with the main constitutional provisions.

The Presidency of the People's Assembly will regard this request according to the Article 23 of the Constitution.

Assembly Adopts Bill on Amnesty Law

AU0806190293 Tirana ATA in English 0810 GMT 8 Jun 93

[Text] Tirana, June 8 (ATA)—On January 14, this year, the Albanian Parliament endorsed the Law on Innocence, Amnesty of Ex-Political Prisoners and Persecuted. In the focus of this law was the problem of granting pensions to these persons. The Article 1 of this law defined that the people sentenced and persecuted for political crimes got pension, without determining who pertained to this category. In order to define this, on the initiative of a group of deputies, on June 7 the parliament examined the draft law related to this issue. This draft law defines that political crime is considered that penal offence which has been tried by the martial court according to the Laws on the Saboteurs of the National Liberation War, on the Organization and Functioning of Martial Courts, on Penal Offences Against People and State endorsed respectively in December 1944, January 1945, December 1946, and such other laws.

Some deputies appreciated this law, some others also had objections to the draft law.

The deputies of the Democratic Party, Uran Butka and Abdi Baleta, demanded not to postpone any longer asserting innocence of ex-political prisoners and persecuted. Namik Dokle, deputy of the Socialist Party, demanded to observe the status of the political prisoners, because according to him, this draft law does not separate the political prisoners from the terrorists or collaborators with fascism. Deputy Azem Hajdari demanded to review the law because in his opinion it ran counter to the constitutional provisions.

The other deputy Teodor Laco, of the Social Democratic Party, demanded some changes to the project and underlined that martyr and hangmen cannot be on a par.

The socialist deputies abstained from voting. The draft law was endorsed by majority of votes. The Albanian Parliament continues on June 8 before noon.

Former PLA Officials Excluded

AU0806190393 Tirana ATA in English 0804 GMT 8 Jun 93

[Text] Tirana, June 8 (ATA)—According to a decision adopted yesterday by the Council of Ministers, all those sentenced for crimes against the state and who had been senior state and party officials of the previous communist regime, even for a short time prior to March 22, 1991, are excluded from the Law on Amnesty and Innocence. Also, the persons of this category who, until now, have unjustly profited from the law approved by the parliament before this decision was adopted, will certainly pay off the sums of money they have received.

According to the decision which was made known yesterday, the persons excluded from the law include ex-members of the Bureau of the Central Committee of the Communist Party and the Party of Labour of Albania [PLA], leaders of the Presidium and Presidency of the People's Assembly, ex-members and candidates of the Central Committee of the Communist Party of Albania and PLA, ex-ministers and ex-chairmen of the executive committees in districts and regions, ex-first secretaries of the PLA in districts and regions, chiefs of general staff, generals, ex-officers of the Ministry of the Interior and ex-chairmen of the internal affairs branches, ex-ambassadors, etc.

For the coming period the decision forces the persons who want to profit from this law to state whether they have carried out the above functions even for a short period of time. Otherwise, the persons who will once again profit unjustly as until now will bear material and penal responsibility.

Russian Finance Minister Completes Visit

AU0906130993 Sofia BTA in English 1131 GMT 9 Jun 93

[Text] Sofia, June 9 (BTA)—The Russian delegation led by Deputy Prime Minister and Minister of Finance Boris Fedorov completed its visit to Bulgaria, marking reactivation of the trade and economic relations between the two countries. The delegation was in Bulgaria to attend the meeting of the Bulgarian-Russian Commission on Trade and Economy.

Today the Russian deputy prime minister was received by Prime Minister Lyuben Berov. At their almost one-hour-long meeting the sides discussed the condition and prospects of bilateral trade and economic cooperation. On all problems raised the two sides share similar, if not identical, views, the spokesman for the government, Rayko Raykov, said after the meeting. According to the government's spokesman, it was stressed several times at the meeting that both sides would seek their own economic interests and there would not be any orchestrated friendship and cooperation as was the case until some years ago. The problem of the two countries' outstanding payments has not been resolved yet. The question is not about any irreconcilable differences, but the Bulgarian side insists on being paid in a hard currency equivalent by its Russian partners because inflation in Russia is rampant, Mr. Raykov said. The Bulgarian side considers this business contact established with representatives of the Russian side the most successful in the last years, Mr. Raykov said.

Russia's Deputy Prime Minister Boris Fedorov also described the Russian delegation's visit as successful. Over the last years there has been a vacuum in the two countries' economic relations, this visit means opening a new chapter in them, he told BTA. In his opinion, there is good reason to say Russian-Bulgarian economic relations have been reactivated.

Berov, BSP, DPS Discuss Cabinet Changes

AU0906130593 Sofia BTA in English 2109 GMT 8 Jun 93

["Today"—BTA lead]

[Excerpts] Sofia, June 8 (BTA)—President Zhelyu Zhelev received Ambassador Bennacer Kaitouni of Morocco at his request today. The sides discussed the prospects of bilateral relations and some forthcoming initiatives for the development of the two countries' economic relations, BTA learned from the President's Press Office.

President Zhelyu Zhelev received Ambassador Sandor Szabo of Hungary at his request. The Hungarian ambassador extended an invitation to the Bulgarian president to attend the world exposition in Budapest. The sides considered matters of mutual interest and the possibility of promoting bilateral cooperation, the announcement of the president's spokesman goes.

National Assembly Chairman Aleksandur Yordanov received Ambassador Christopher Allan Edwards of Australia. The Press Service of the National Assembly informed that the sides had discussed the possibility of promoting Bulgarian-Australian relations, the law-making schedule of the Bulgarian Parliament and the political situation in Bulgaria. Mr. Edwards officially invited the Bulgarian Parliament to send a delegation to Australia early next year.

A delegation of the Civil Defence Central Inspectorate of Romania, led by Chief Inspector Major General Prunake Dimitru, is visiting the region of Montana (northwestern Bulgaria) for a three-day working meeting.

A panel of the Military Division of the Supreme Court proceeded with the hearing of the criminal case against four former Interior Ministry employees, including Mircho Spasov, ex-general and ex-deputy minister. The four of them are charged by the Prosecutor General's Office with direct involvement in the killing of 14 men and women in the forced labour camps at Lovech and Skravena more than 30 years ago. In reply to a question about his education, Mircho Spasov told the court panel that he had finished primary school and was later trained at the KGB. The defence made its pleas which Prosecutor General Ivan Tatarchev insisted to be overruled. According to Mr. Tatarchev, the statutes of limitation are inapplicable, because it was impossible to initiate criminal proceedings against the accused at the time they committed the crime. The panel retreated for deliberations and half an hour later proceeded with the case. The prosecutor general read the indictment and demanded that the court find the defendants guilty and sentence them on several provisions in the Penal Code, one of which prescribes either imprisonment or capital punishment. The next hearings are scheduled for Thursday and Friday [10 and 11 June].

Today Prime Minister Lyuben Berov had a meeting with the leaders of the parliamentary groups of the Bulgarian Socialist Party (BSP) and the Movement for Rights and Freedoms (DPS) to discuss with them his intentions to carry out structural and personal changes in his cabinet after the adoption of the 1993 national budget act. According to DPS spokesman Yunal Lyutfi, at this early stage of the consultations no specific candidates for the ministerial portfolios were discussed. Nora Ananieva, floor leader of the Socialist parliamentary group, said that the prime minister had proposed to split the Ministry of Science, Culture and Education and suggested candidates to head the Foreign Ministry, the Ministry of Justice and the Ministry of Transport. The prime minister's proposals for structural and personal cabinet changes were considered at today's meeting of the BSP supreme leadership. Socialists' spokeswoman Klara Marinova told journalists that the BSP would insist on the fulfilment of the conditions for giving support to the government stipulated when it was elected—a non-party cabinet of experts. According to sources in the BSP, the party insists on electing a foreign minister without any delay (at the moment Prime Minister Berov is acting

foreign minister), but it does not approve the candidates suggested by Prime Minister Berov so far.

Some paragraphs of the national budget bill were discussed at a meeting of DPS leaders and Finance Minister Stoyan Aleksandrov. Minister Aleksandrov explained that it was impossible to increase the funds allocated to the municipalities in the budget. The DPS leaders raised the question of the poor state of finance in the mountainous and upland areas. Minister Aleksandrov availed himself of the opportunity to raise the question of parliament's legislative work. He asked to accelerate the adoption of the value added tax bill, pointing out that the signing of an agreement between Bulgaria and the International Monetary Fund depends to a great extent on it. Minister Aleksandrov is going to have meetings with the other three parliamentary groups and make the same plea.

The Parliamentary Economic Committee approved a proposal for an amendment to the Privatization Act made by MP Petur Kharizanov. The amendment would give the employees of enterprises more rights. Mr. Kharizanov proposes that employees be given preferential-terms voting shares instead of non-voting ones.

An official statement of the MP's of the New Union for Democracy parliamentary group says that they are going to set up a political formation of a new type. The formation will not be a political party but an organization of physical persons registered under the Persons and Family Act.

Today the Standing Committee of the extraparliamentary Bulgarian Agrarian Party passed a resolution which says that the Agrarians will follow a path of their own. At today's regular press conference the leaders of the Bulgarian Agrarian Party called on the SDS to walk out of parliament. [passage omitted]

Today a Balkan Airlines flight opened the regular Sofia-Toronto air service of the company.

Experts of the Japanese Ministry of Foreign Affairs and ROTOBO (Japan Association for Trade with Russia and Central and Eastern Europe), visiting this country to get first-hand information about the restructuring of Bulgarian enterprises, delivered lectures at a seminar, which is part of a series, at the National Palace of culture in Sofia.

A delegation of Japan's Ministry of International Trade and Industry and the Engineering Consulting Firms Association visited Bulgaria from May 30 to June 4 for the purpose of holding meetings with Bulgarian officials in order to study and identify prospective fields of future financial cooperation between the two countries. [passage omitted]

Zhelev Visits; Sugarev Continues Hunger Strike

AU0906204493 Sofia BTA in English 1746 GMT 9 Jun 93

[Excerpts] Sofia, June 9 (BTA)—President Zhelyu Zhelev met today with Edvin Sugarev MP of the Union of Democratic Forces (SDS), who is continuing the hunger strike he declared on Monday [7 June] in protest against the policy pursued by the president and demanding his resignation.

Early this afternoon President Zhelyu Zhelev visited the home of the MP in the town of Bankya near Sofia. They conferred privately for exactly 15 minutes, according to a national radio reporter. On his way out Dr. Zhelev declined to comment, saying that he had come as an ordinary man to an ordinary man.

Edvin Sugarev spoke of the meeting. "We reached no understanding," he said. He told the national radio reporter that it would have made no difference if the meeting had lasted five or even one minute. The president asked the MP to reconsider his decision, which was dangerous for Bulgaria but, according to Edvin Sugarev, he did not explain in what sense it was dangerous. The conversation focused mainly on who was right and who was wrong and who is guilty of what. "He told me that all my claims are unjustified, that there is no recommunization in Bulgaria, that the Land Act would not affect land owners, that the dismissal of the director of the Bulgarian news agency is something quite normal, and so on and so forth," Mr. Sugarev said.

"Fine, fine, quite all right," Edvin Sugarev said when asked how he was feeling. His wife also claims he is well.

Earlier today Edvin Sugarev was visited by National Assembly Chairman Aleksandur Yordanov. "His protest is aimed directly against the president and he is not inclined to change the message of his moral act by making it part of political combinations," Aleksandur Yordanov said in parliament. According to him, parliament needs Edvin Sugarev and his act should not be used for political purposes.

SDS floor leader Stefan Savov told BTA that the parliamentary group of the SDS decided today to ask Edvin Sugarev to stop his hunger strike. According to Stefan Savov, the structures of the SDS will take up the ideas and the message of Edvin Sugarev's strike and will start an action in support of his judgement of the president.

Mrs. Margarita Dimitrova, a teacher from Sliven, also declared a hunger strike today. "I will continue my hunger strike till Edvin Sugarev gives up his," she said, addressing all Bulgarian citizens who are fed up with the irresponsibility of the Bulgarian politicians. Mrs. Dimitrova, who said she voted for the SDS in the 1990 and 1991 elections, described Edvin Sugarev's act as political blackmail. Mrs. Eli Yordanova, director at the Bulgarian National TV, also went on hunger strike yesterday in support of the president. In the rally, scheduled by the

SDS for Thursday, she sees a provocation to riots aimed at establishing a new dictate. [passage omitted]

In a letter to Edvin Sugarev, Vasil Benchev, chairman of the Ecoglasnost National Association-Veliko Turnovo and director of the SINYO VREME paper, says that he would have believed in his selfless act if it was directed against the anti-constitutional activities of the SDS. I do not think that what Edvin Sugarev is doing is worthy of respect, Mr. Benchev writes.

On the initiative of the Ecoglasnost Society in the city of Ruse (northeastern Bulgaria, on the Danube) eight members of parties and organizations in the SDS started a relay hunger strike in support of Edvin Sugarev's demand, the local BTA correspondent reported. The strikers are in downtown Ruse where a sign-in has started demanding the resignation of the president. 600 people had signed it by 1600 hours local time [1300 GMT]. The site of the strike is surrounded by posters reading "Zhelyu, God is watching," "Edvin, we love you," etc. The Ruse Ecoglasnost came out with an appeal to the citizens of the city for actions in support of Edvin Sugarev.

Commenting on the hunger strike of Edvin Sugarev, Chavdar Kyuranov MP of the Bulgarian Socialist Party (BSP) solidarized with the opinion of Miss Velislava Dureva (also of the BSP) that this is blackmail. One man cannot make 3 million Bulgarians who voted for Zhelyu Zhelev change their minds, Mr. Chavdar Kyuranov said.

Tanev Meets With EC Veterinary Inspectors

AU0906154393 Sofia BTA in English 1340 GMT 9 Jun 93

[Text] Sofia, June 9 (BTA)—This morning Minister of Agriculture Georgi Tanev was informed of the results of an inspection carried out by an EC veterinary mission which came here to check the measures taken to eliminate the foot-and-mouth disease epidemic. At the meeting with Mr. Tanev the EC team highly praised the professionalism of the Bulgarian veterinary specialists. The EC mission was impressed at the speed with which the focus of infection was eliminated. During the talks Mr. Tanev brought up the question of compensation. Bulgaria will ask for a compensation for the expenses incurred and will give an accurate account of the damage suffered, a ministry source told BTA.

Dr. Marshall, leader of the EC team, commended the Bulgarian veterinary authorities on their competence and expedition. The European specialists pledged to help Bulgaria receive diagnostic equipment, medicines and vehicles in compensation for the damage.

Mr. Tanev proposed that a 30 km buffer zone, monitored by Bulgarian and foreign experts, be set up to prevent the spreading of infection from Asia into Europe. Mr. Tanev repeated his proposal that a Balkan veterinary service be set up through which the Balkan countries would be able to adopt the European standards of veterinary control. There was speculation that the ban on meat and livestock exports will be cancelled in early July.

No Reaction to Meciar Border Statement

AU0906135493 Prague CESKY DENIK in Czech 8 Jun 93 pp 1, 2

[CTK and "(sim)"-signed report: "The Government Will Not React to the 'Gold-for-Borders' Offer"]

[Text] Prague/Ostrava—The Czech Government will not react to Friday's [4 June] statements made by Slovak Prime Minister V. Meciar in which he indicated that the Slovak Republic would exchange a firm Czech-Slovak border for the Slovak share in the CSFR gold reserves, still being held on Czech territory.

This was confirmed to CESKY DENIK by sources from the Interior Ministry and Foreign Ministry. Members of the government, according to the same sources, share the previously mentioned opinion that borders with Slovakia should be unilaterally built if there is no agreement on 1 July. Josef Krupik, Christian Democratic Union-Czechoslovak People's Party deputy, confirmed this yesterday. Deployment of the Army in case the borders are build unilaterally is foreseen for a transitional period only, according to Krupik.

Czech villages in the Czech-Slovak border region are striving to preserve the small border traffic on a limited territory and for people living along the borders only. The director of the Administration of the South Moravian Police of the Czech Republic, Petr Sykora, said in this connection that the police have received information that illegal crossing points are being established for people from third countries through the Czech Republic.

The first fixed border crossing between the Czech Republic and the Slovak Republic has been approved in the Frydek-Mistek district in Mosty u Jablunkova. Since there is no treaty between the Czech Republic and the Slovak Republic on border crossings, this crossing does not legally exist. According to the deputy director of the Regional Customs Administration in Frydek-Mistek, the Czech and the Slovak side have not agreed upon the construction of a joint customs control in the Bumbalka-Makov crossing in Horni Becva. Before the end of this month, the operation of customs checkpoints should be introduced on more roads and larger forest roads connecting both sides of the Beskydy mountains. On the border highway between the Czech Republic and Slovakia near Lanzhot, the construction of a permanent building has not been started on either the Czech or Slovak side.

Interior Ministry Denies Slobodnik Accusations

AU0906121493 Prague LIDOVE NOVINY in Czech 5 Jun 93 p 3

["hop"-signed report: "It Is Not a Matter of a 'Bundle of Marks'"]

[Text] Prague—"The funds offered to us by the German Government will help—if we accept them—the border police to modernize its technical equipment. Under no circumstances would they be used for the construction of the border with Slovakia," Jan Subert, Interior Ministry press spokesman, asserted in response to the statement by Slovak Culture Minister Slobodnik that the Czechs will receive a "bundle of marks" in exchange for sealing the Czech-Slovak border. "It must be emphasized that, from the very beginning, the Czech Government seeks to build the crossings jointly as this approach is cheaper for both sides. Moreover, it is not true that the Czech Republic intends to seal the joint border. Citizens of both republics will be allowed to cross the border upon presentation of their ID card, and for third-country nationals the border will be identical in character to the Czech Republic borders with the other neighboring countries," Subert told LIDOVE NOVINY.

Dyba Says Economic Chances Depend on EC

AU0906132593 Prague CTK in English 1517 GMT 7 Jun 93

[Text] Bonn June 7 (CTK correspondent)—The chances of Czech economic growth depend to a large extent on the behaviour of the markets of the European Community (EC), Czech Economic Minister Karel Dyba writes in the economic supplement to today's German daily FRANKFURTER ALLGEMEINE ZEITUNG.

If the Western markets remain closed to the Czech goods, the Czech Republic can hardly count on an economic growth.

Then it is hardly possible to speak about a real economic integration of Europe and all of its nations, says Dyba. A possible failure of East European reforms implies a security risk for the whole continent, instead of a growing prosperity connected with free trade.

Taking into account the fact that the Czech economy lacks capital and that the relatively cheap, skilled and disciplined labour force attracts foreign businessmen, it is no wonder that investors from many countries are coming, writes Dyba.

The preponderance of the German capital is no longer so apparent as it was in early 1992. German companies account for some 40 percent of the direct investment in the Czech Republic.

German companies not only bring in sizable capital, but they are also the biggest trading partner.

They are even more important than those from Slovakia, states Dyba.

Wage Regulation Proposal Submitted to Unions

AU0906132393 Prague CTK in English 1426 GMT 7 Jun 93

[Text] Prague June 7 (CTK)—The Czech Government submitted today to the Czech-Moravian Chamber of Trade Unions (CMKOS) a proposal of wage regulation in the entrepreneurial sector this year.

Czech Premier Vaclav Klaus complained on June 1 about the large pay increases in the first part of the year and said it threatened the competitiveness of the Czech economy.

The government's proposal will be analysed by the relevant commissions of the Council of Economic and Social Agreement (RHDS). The government and the trade unions said that the regulations would apply to both state- and privately-owned companies.

Klaus said that the proposal was intended to preserve a balanced development in wages, which would be bound to the development in employment, average pay and value added tax in individual companies. If relationships in these spheres were in a sharp imbalance, sanction payments would be introduced.

The size, extent and range will be only negotiated, but the commission may reach conclusion soon, said Klaus.

We understand the government's concern about the wages development from January to April 1993 and we are willing to hold talks about it in the working commissions, CMKOS Chairman Vladimir Petrus stated.

Klaus also submitted to the unionists a proposal not to link the "general agreement" for 1994 to the prices development.

The agreement is intended to preserve social peace in the period of transition from the centrally planned economy to market one.

Klaus believes that in 1994 no sudden price hikes, due to which these principles were applied in previous general agreements, will occur.

We believe that it is necessary for the wages to be linked more to the product, labour productivity, added value, and not only to the prices development. Klaus stated.

Consumer Price Index Rises 0.4 Percent

LD0906195593 Prague CTK in English 1719 GMT 9 Jun 93

[Text] Prague, June 9 (CTK)—The May consumer price index in the Czech Republic rose 0.4 per cent against the previous month, the Czech Statistics Office told CTK today.

The break down shows that prices in public catering increased 0.3 per cent, services 0.7 per cent and non-alimentary goods 1.1 per cent. On the other hand, food prices dropped 0.9 per cent.

Against December 1992, the aggregate consumer price index increased this May by 11.7 per cent.

The April inflation rate was 0.6 per cent.

Reaction to Decision Limiting Uranium Mining

LD0906211393 Prague CTK in English 1924 GMT 9 Jun 93

[Text] Prague June 9 (CTK)—The Union of Mineworkers, Geologists and Petroleum Industry Workers today formed a crisis committee in reaction to Tuesday's ministerial decision to limit uranium mining to a minimum.

The crisis committee respects the government's right to the position it has taken, but at the same time it asks the government to guarantee a sufficient allocation of funds to assure wages for workers at Diamo (the former Czechoslovakia's national uranium company) until a social plan can be drawn up on the basis of the government's final decision on the Czech uranium industry.

This was stated in a declaration which the crisis committee gave to CTK today, and which tomorrow they will give to the minister of trade and industry, Vladimir Dlouhy.

The committee considers the ministers' decision as an indication of the government's inability to solve the problem of restructuring the uranium industry. The unionists state that the government's indecision has forced the Czech Energy Works (Cez) to stock up on two to three years' supplies of nuclear fuel from foreign sources. Czech-produced uranium, they say, has only one potential consumer—the state material reserves.

The unionists also say that the lack of a government decision shows that the government is doing nothing to guarantee the elimination of negative social impacts.

In a letter accompanying the declaration the union's press spokesman, Milan Cervenka, calls the ministerial decision the most drastic variant it will mean 70 per cent of Diamo workers losing their jobs. He points out that these 8,000 workers live in areas with limited employment opportunities.

Justifying the ministers' decision after their meeting, Finance Minister Vaclav Klaus said yesterday that Czech uranium prices were far higher than world prices, which had fallen sharply. Furthermore, uranium mining annually consumed billions of crowns from the state budget.

Meciar on Trade Surplus With Czech Republic

AU0706175693 Prague CTK in English 2112 GMT 3 Jun 93

[Text] Zvolen, central Slovakia, June 3 (CTK)—The Movement for a Democratic Slovakia (HZDS) is against early elections, because they would not resolve anything, and it is also against a broad coalition government, Slovak Prime Minister and HZDS Chairman Vladimir Meciar told a public meeting today.

I cannot imagine that (Miklos) Duray (chairman of the Hungarian movement Egyutelles (Coexistence] and (Ludovit) Cernak (chairman of the Slovak National Party), or (Peter) Weiss (chairman of the Party of the Democratic Left—SDL), (Jan) Carnogursky (chairman of the Christian Democratic Movement), and I sitting next to each other, Meciar said.

SDL refused an offer to form a common coalition government, he said.

The current talks with the International Monetary Fund (IMF) are businesslike, although its members expected catastrophe in Slovakia. This did not happen, and the changes in the economy in Slovakia are faster than anywhere else, he said.

IMF representatives are surprised by the state of the economy of the Czech Republic, but not in a good way, Meciar said. If Slovakia had devaluated its currency as the IMF requested in February, the value of privatized property would have decreased by 50 percent, and prices would have increased by 50 percent.

Slovakia has a 3 billion korunas ($132 million) trade surplus with the Czech Republic from the beginning of the year, and it is positive for the first time in history, Meciar stressed. German Foreign Minister Klaus Kinkel said upon his visit to Slovakia that they analyzed the starting conditions of Slovakia, which were worse than other Eastern countries, but its prospects were better. Hard currency supplies of Slovakia are growing slowly but surely. An end to the falling economy is expected in spring 1994 at the latest.

Kovac Rejects Opinion on Division of Republic

AU0906131193 Bratislava REPUBLIKA in Slovak 5 Jun 93 p 1

["(R)"-signed article: "There Will Be No Division of Slovakia"]

[Text] Michal Kovac, president of the Slovak Republic, in his exclusive interview for Voice of America, aired on 3 June, rejected the opinion of an American political scientist and former White House adviser, Zbigniew Brzezinski, regarding the danger that Slovakia could be divided amongst neighboring powerful states in the future. The Slovak president said that to accept such an opinion would mean to succumb to fatalism. The president does not consider the opinion of the former White House adviser Zbigniew Brzezinski—this opinion was communicated, among others, to Prime Minister Meciar—to be a realistic forecast, but a part of various considerations about possible alternatives to the development after the end of the cold war and to the East-West division of the world. He said that considerations of political scientists surrounding Zbigniew Brzezinski, who see the possibility of Slovakia's being divided among stronger countries—Hungary, Ukraine, and Poland—are quite "alien" to Slovak representatives. He described the United States as the guarantor of further democratic development in Slovakia and in Central Europe.

President Kovac also said that the economic decline in Slovakia this year was expected. He added, however, that this decline was smaller than forecasted. He indirectly admitted that the advantageousness of investments is being degraded by legislative and economic conditions. These conditions must be continuously improved, he said. He rejected the opinion that he is trying to create a second power center in Bratislava Castle. He stressed, however, that he does not perceive the function of the president as passive, but that he wants, no matter which parties have or will have power, to fully utilize his possibilities to develop political activity as defined in the Constitution.

Agreement Signed With Polish Defense Ministry

LD0906213093 Warsaw PAP in English 1905 GMT 9 Jun 93

[Text] Bratislava, June 9—An agreement on cooperation between the Polish and Slovak Defence Ministries was signed in Bratislava Wednesday at the end of Polish Defence Minister Janusz Onyszkiewicz's three-day official visit to the Slovak Republic.

The agreement provides for cooperation in the training of military cadres, the use of military testing ranges, modernization of equipment and the exchange of information.

The document also stipulates that the Defence Ministries of the two countries will cooperate in the training of soldiers for U.N. peacekeeping forces, to be conducted in Poland.

Minister Janusz Onyszkiewicz was received by Prime Minister Vladimir Meciar and held talks with Defence Minister Imrich Andrejcak and other Slovak officials. He also met with commanders of the Slovak Army.

During a joint press conference held on Wednesday Ministers Onyszkiewicz and Andrejcak stressed that the cooperation agreement signed by the Polish and Slovak Defence Ministries was "a typical bilateral accord" and firmly denied that it was allegedly desinged as a step towards the formation of "small NATO" associating the Visegrad group states.

Both countries and their Armies have similar problems and share the same values which makes mutual assistance possible, the Polish and the Slovak defence ministers pointed out.

Referring to cooperation in the training of personel for the U.N. peacekeeping froces the two ministers declared that it is possible that in the future the two countries may form joint Polish-Slovak units of peacekeepers.

SNS Issues Statement on Meciar Offer

AU0906131093 Bratislava SLOVENSKY DENNIK in Slovak 4 Jun 93 p 2

["(pet)"-signed report: "Meciar Has To Be Taken Seriously"]

[Text] Bratislava—Representatives from the Slovak National Party [SNS] issued a statement, at a press briefing, in which they say that Vladimir Meciar's appeals for cooperation have to be taken seriously and put into practice. The statement says: "The SNS will accept a sincere offer. We have our own experience of cooperation with the Movement For a Democratic Slovakia [HZDS]. Therefore, our possible involvement and accountability have to be based on clearly defined ground rules."

It was evident from the press briefing that the SNS thinks there is a possibility of a two-member coalition between it and the HZDS with the tacit support of the right-wing parties. According to the SNS, the other possibility is that it will assume responsibility for two of the six ministries in which personnel changes are necessary and experts from the other parties will assume responsibility for the other ministries.

'Harassment of Slovaks' by Czech Officials

AU0906113493 Bratislava REPUBLIKA in Slovak 4 Jun 93 p 3

[TA SR report: "Harassment of Slovaks in the Czech Republic"]

[Text] "We are harassed by bureaucrats," said Jaroslav Skorik, president of the Slovak Community in the Czech Republic, in response to LIDOVA DEMOKRACIE's question yesterday regarding the form "the certain subtle discriminatory pressures" against Slovaks in the Czech Republic take, of which Slovak Ambassador Ivan Mjartan spoke. "The Slovak minority in the Czech Republic comprises approximately 350,000 people, and it is represented by nine organizations, with the orientation so varied that some of them are even diametrically opposed to one another," the daily writes. In addition to the Slovak Community, there is particularly the anti-Meciar tuned elite group around movie director Fero Fenic called the Democratic Alliance of Slovaks (DAS). This organization issued a statement, the daily carries, that describes Ambassador Mjartan's remark as intentional provocation. Similar to the DAS in orientation is the Union of Slovaks of historian Jan Mlynarik. Furthermore, the Czech Republic has the M.R. Stefanik Club; the Evangelic Community of Slovaks; the Association of Slovaks; the Historical Group of Direct Participants in the Slovak National Uprising; the M.R. Stefanik Foundation, with which is associated, among others, Marian Calfa, once federal prime minister; and the Club of Slovak Culture.

"According to international law, the Slovaks in the Czech Republic have the right to be recognized as an ethnic minority, which the Chamber of Deputies of the Czech Assembly has not yet declared. The individual Slovak activities are represented, however, in the Czech Government Council for Minorities, and the recognition of the ethnic minority status of Slovaks can be expected," LIDOVA DEMOKRACIE writes.

According to the daily, the Slovak Community, which closely cooperates with the Slovak Embassy, is the only group that actually speaks up against the violation of human rights of Slovaks in the Czech Republic. J. Skorik says that the discrimination finds expression, for instance, in the unwillingness of the authorities to recognize business licenses of Slovak tradesmen who do not yet hold Czech citizenship, or the refusal of the Czech Government to finance a journal for the Slovak minority (as is the case with the Polish or the Hungarian journal) until the Slovak groups unite in the publication. "We categorically refuse, however, to cooperate with Fenic or Mlynar [as published]," Skorik says. Currently, the Slovak Community is working, together with Milos Zeman, Czechoslovak Social Democratic Party chairman, on an official language bill, which should define Slovak as one of the two official languages in the Czech Republic, LIDOVA DEMOKRACIE adds.

Tension Reported Between Army, Defense Ministry

AU0906103393 Bratislava REPUBLIKA in Slovak 7 Jun 93 p 2

[TA SR report: "Putting Slovakia's Interests at Risk?"]

[Text] Bratislava—The Association of Slovak Soldiers (ASV) regards the deposition on fulfilling the Slovak Government's policy statement in the defense and security sphere submitted to the National Council of the Slovak Republic [NR SR] Committee for Petitions, Legal Protection, and Security as a prime example of incompetence and ineptitude on the part of the Slovak Defense Ministry's management team.

The ASV states in its criticism of the Defense Ministry that "by circumventing law No. 451 (the screening law)" when the ministry was being established and its staff were being recruited, "it has put Slovakia's national interests and security at risk." According to the ASV, StB [State Security] agents and collaborators—and even the KGB—will continue to represent a potential threat, and some of them will willingly collaborate against Slovakia. The ASV is also critical of the passive stance adopted by

leading Armed Forces representatives in connection with our entry into NATO. "In this situation, tension is constantly on the increase between the Defense Ministry and the Army Command," said ASV Chairman Jan Repasky. In order to resolve the problems concerning the Slovak Armed Forces, the ASV is proposing that a meeting be held involving representatives from the Defense Ministry, the Army Command, the NR SR, military associations, and the public.

Ukraine Named as Source of Radioactive Substance

LD0906174393 Prague Stanice Praha Radio Network in Czech 1630 GMT 9 Jun 93

[Text] A large quantity of a radioactive substance has been found in Slovakia. Correspondent Alexander Picha reports:

[Picha] A container full of a radioactive substance has been intercepted in the West Slovak region during a nationwide campaign aimed at protecting Slovakia's economic interests. An official source at the Slovak Interior Ministry said that the radioactive substance belonged to an unnamed, large Slovak firm. The company has the use of a vast plant, and also a helicopter.

Slovak experts are now investigating the possible purpose of the radioactive substance. The Slovak Interior Ministry puts the value of the radioactive contraband at 100 million korunas. The Slovak police identified the substance as originating from Ukraine.

During the campaign carried out by the Slovak police, customs and government officials, 13 other Slovak companies were checked. Peter Kuchar, the spokesman for the Interior Ministry, told me that Slovak officials had confiscated undocumented goods worth another 80 million korunas. The Slovak companies they had selected for investigation had mostly been smuggling electronic goods and alcohol. The Slovak Interior Ministry spokesman failed to reveal the extent to which the incompletely checked Czech and Slovak border is to blame for smuggling. The Interior Ministry said that it would take several days to draw conclusions from the campaign.

Warning System Installed at Nuclear Power Plant

AU0906130393 Bratislava REPUBLIKA in Slovak 8 Jun 93 p 2

[TA SR report: "The Nuclear Plant Under Control"]

[Text] Bratislava—The remote communication and warning system HADOS was installed by Slovak Electric Engineering Enterprise [Slovensky energeticky podnik], a state enterprise, in the Jaslovske Bohunice nuclear power plant in conformity with the "Principles for Information and Warning of the Population." According to information provided by the spokesman of the Slovak Republic's Government Commission yesterday, the purpose of this system is to secure prompt information for the population, state administration bodies, and applicable organizations about the danger of the possibility, or existence, of malfunction of the nuclear equipment. The system works in the 30-kilometer zone from the Jaslovske Bohunice nuclear power plant. HADOS receivers emit audio and light signals. The permanent operation of the HADOS system will be secured as of 1 July.

Jeszenszky Reacts to Deputies' Remarks

LD0806215593 Budapest MTI in English 2053 GMT 8 Jun 93

[Text] Budapest, June 8 (MTI)—In a statement sent to MTI on Tuesday evening, Hungarian Foreign Minister Geza Jeszenszky firmly denied the critical remarks Hungarian Democratic Forum (HDF) mps Gyula Zacsek and Gyorgy Szilasy addressed to the government in a meeting with the U.S. Hungarian community during their lecturing tour in the United States.

At the same time, the foreign minister expressed his conviction that American Hungarians "Will be prevented by their patriotic feeling and sobriety from giving credit to base demagogy and acting against Hungary's interests".

MTI's Washington correspondent reported on Tuesday that Zacsek and Szilasy sharply criticized the Hungarian Government during their lecturing tour in the United States. (HDF's parliamentary group has expelled Zacsek from its ranks, and last weekend the party's national board decided to refer his case, together with that of other expelled mps, to the HDF Ethical Committee to conduct proceedings on their expulsion from the party.)

The two mps, accompanied by 56ers World Federation President Gergely Pongratz, held lectures in New York and New Brunswick at the invitation of the federation's American organizations. In these lectures, Zacsek and Szilasy fiercely attacked the Hungarian Government mainly on account of privatization and the Hungarian-Ukrainian Basic Treaty.

In his Tuesday evening statement, Jeszenszky pointed out, "Political freedom, which prevails in democratic societies, does not make it necessary for the opposition to seek publicity abroad. The forum of home policy debates is the parliament, the press and political rallies. It appears that by now the opposition parties have also understood that discrediting the government abroad amounts to discrediting the country.... Attempts to involve cross-border Hungarians, living either in the Carpathian basin or in diasporas, in domestic disputes are especially regrettable...."

Jeszenszky says that Hungarians in the West successfully acted in the role of opposition during the years of dictatorship. Now, after the political changes, they can effectively promote the interests of their parent country and assist Hungary's rebirth by handing over their experience, giving advice or possibly by getting involved in Hungary's economic life. All Hungarian organizations abroad liked the idea of a new alliance being forged between free Hungary and the Hungarian diaspora. This alliance and major representation work are disturbed by irresponsible slanderers.

"It needs no foreign political skills to understand what a major partner the 55-million Ukraine can be to Hungary, and how important it is that the political rights and cultural opportunities for the 200,000 ethnic Hungarians living there have greatly improved over the last three years.

"Hungary's parliament passed the Basic Treaty with Ukraine not only with a 80 per cent majority, but within this with the majority vote of mps belonging to the government coalition. Consequently, the critical remarks of Gyorgy Szilasi not only qualified the mp himself, but also hurt and defamed all those who, feeling responsible for the fate of the Hungarian community of SubCarpathia, said yes to the treaty," runs the statement by Foreign Minister Geza Jeszenszky.

Objections Raised to Budget Proposals

LD0906170193 Budapest Kossuth Radio Network in Hungarian 1000 GMT 9 Jun 93

[Excerpts] [Announcer] Last month the budget deficit rose by 22.7 billion forints. According to the Finance Ministry's briefing, the total deficit had reached almost 94 billion forints by May. The ministry reminds everyone that that privatization, payments by enterprises, company taxes, and payments by the population have not yielded the amount of revenue envisaged at the time of preparing the budget. [passage omitted]

The Finance Ministry officials believe that the management of the central budget may be balanced through measures in the supplementary budget. The shortfall has been compensated so far by issuing bonds and by using up the state liquid funds. [passage omitted]

[Reporter] The government would like to raise the rate of the general turnover tax from 1 July, the minister of finance has said. The pressure within his own party and in the government has been so great that he had to take this step. Ivan Szabo said this in reply to a question from this correspondent who asked why this proposal was made now, especially in view of the fact that until now the finance minister considered even an October introduction of the new rate as too early.

Reacting to Ivan Szabo's idea yesterday that this issue should be decided by the Interest Coordination Council, the representatives of both the employers' and the employees' sides of the Council said that they consider it natural that they should decide on this issue since, in their view, it falls within the body's jurisdiction. The same also applies, according to them, to the supplementary budget proposal on general turnover tax.

Secretary Tibor Voeroes, speaking on behalf of the employers' side of the Interest Coordination Council; Spokesman Attila Balint, speaking on behalf of the Hungarian Federation of Trade Unions' Alliance; and Gabor Sos, of the Democratic League of Independent Trade Unions, have told this correspondent that raising the rate of general turnover tax contradicts to the agreement reached in the council last November. Nor do they see any chance of even sitting down to negotiate without

a government submission which includes precise calculations and which should also contain the offsetting sums.

However, such a submission has not been received by any council member so far.

[Announcer] The National Assembly's Education Committee also discussed the supplementary budget draft. Krisztina Antalfyy reports from the parliament;

[Antalffy] The Education Committee did not find this year's supplementary budget draft suitable for parliamentary debate. Seven deputies supported the draft, six did not, and one abstained. Thus, the equality of votes meant rejection.

In the debate prior to the decision, the opposition legislators expected replies, most of all, to the following questions from the official of the ministry and government party deputies: How can it be justified that in the present grave economic situation, the state administrative organs and the Duna Television are given several billion forints in extra support? There would be sufficient money for moving the prime minister's office to the Castle District [of Budapest] and for wage development in the compensation office, yet the proposal would reduce the amount earmarked for wage-political measures and for supporting agricultural exports [sentence as heard]. The deputies also objected to the fact that in the draft, in the case of certain items, the justification indispensable for assessment is missing and only the bare facts are communicated. The legislators expecting valid arguments did not receive satisfactory answers in several cases and this was reflected in the committee's final rejection.

[Announcer] The trade unions' cooperation forum has also protested against the supplementary budget proposal. The interest protection organization objects to the fact that there was no preliminary interest coordination regarding the draft, although the government is obliged by law to do this. The forum objects to the government desire to give greater support for certain foundations and media and to increase public relations expenditure, while the supplementary budget would put the budget finance institutions and their employees in a disadvantageous situation.

Cooperation Agreement Signed With Mongolia

LD0706161093 Budapest MTI in English 1446 GMT 7 Jun 93

[Text] Budapest, June 7 (MTI)—Hungary and Mongolia signed a culture, education, and science cooperation working plan on Sunday, with Hungarian Culture and Education State Secretary Elemer Biszterszky and Mongolian Culture Minister Nambarin Enhbayar and Science and Education Minister Nadmidin Olzihutag discussing bilateral ties.

It was agreed that they would encourage direct ties between their institutions and support cooperation projects with the involvement of third partners.

During the three-day visit, Biszterszky met Mongolian Deputy Prime Minister Choyjilsurengiyn Purebdorj.

Walesa, Solidarity Delegation Discuss Situation

LD0906183593 Warsaw Radio Warszawa Network in Polish 1700 GMT 9 Jun 93

[Text] [Announcer] President Lech Walesa spoke for well over two hours today with a delegation of Solidarity authorities. The president's press spokesman, Andrzej Drzycimski, passed a communique to journalists:

[Begin recording] [Drzycimski] President of the Polish Republic Lech Walesa today received a delegation of the authorities of the Independent Self-Governing Trade Union Solidarity, which presented a diagnosis of the present situation in the country. It included in this diagnosis the demands that must necessarily be resolved as regards the most important problems.

It was decided to appoint a team that will undertake activities intended to resolve the matters that are in the center of interest of the union and of the president. The resolution of these issues is the indispensible condition for the stabilization of the situation in the country.

In the catalogue of issues discussed, a special place is reserved for the prices of energy and fuels; taxes, especially the problem of the creation of opportunities for compensation for the negative consequences of Value Added Tax; the social security net; opportunities for passing on extra budgetary inflows from such activities as for instance the introduction of customs seals, and also others, for the needs of the budgetary sphere, pensioners and annuity-holders; the complex of unemployment issues; the implementation of the accords signed with the government; and also the resolution of the problems of regions that are particulary under threat, especially Walbrzych and Lodz.

The union, in reply to the appeal of the president, announced that it will pay particular attention to instances of pathology in the privatization process. A series of working meetings between the union and representatives of the government, and with the participation of representatives of the president, were also announced. An appointed team, that will be created in the next few days, will constantly inform the president about the calendar and results of the activities undertaken.

It was also announced that meetings between the president and the Presidium of the National Commission of Solidarity will take place, relative to need, and for the support of economic reforms in Poland and to make secure workers' and social welfare rights. The remaining information will be presented by chairman Marian Krzklewski.

[Krzaklewski] We are making the decision on a strike dependent upon the implementation of the results of this meeting. If these results are tangible ones, then we will certainly undertake a decision on the suspension of this strike readiness—but there must be tangible results. That is why these activites registered in this communique are to prepare these decisions, after which we will decide whether we suspend the state of strike readiness or whether we will have to recall these basic matters of which we spoke. [end recording]

Businessmen Support Idea of Reform Bloc

AU0906113393 Warsaw PAP in English 2103 GMT 8 Jun 93

[Text] Warsaw, June 8—Representatives of Poland's leading business organisations announced today the establishment of a reformist electoral bloc, which will seek to support President Lech Walesa's concept of a non-party reform bloc. At the same time, they declared that they would not finance the electoral campaigns of any individual political party.

At a meeting in Warsaw, representatives of several groups, including the Business Centre Club and the National Chamber of Commerce, criticized the outgoing parliament for linking the reform of the Polish economy to sectional party political interests. They also accused the previous parlianent of discriminating against business interests, despite the fact that around 100 of the 460 Sejm (lower house) deputies came from business circles.

Reactions from political circles were mixed. Professor Lech Falandysz, deputy head of the Presidential Chancellery, described as "valuable" the support from businessmen for President Walesa's concept of a non-party reform bloc.

For the rightist oppositional Centre Alliance (PC), Jacek Maziarski dismissed the announcement as "mere words." He added that the declaration that business would not finance election campaigns by individual parties was unrealistic.

Piotr Nowina-Konopka of the Democratic Union (UD) suggested that businessmen should not participate in the elections. The businessman who becomes a politician ceases to be a businessman, he said.

This view was shared by Aleksander Kwasniewski, leader of the post-communist Social Democracy of the Republic of Poland (SdRP). "If someone knows well how to run a business, let him be involved in business, and not politics," he said.

ROK Foreign Minister Signs Culture Agreement

LD0906140993 Warsaw PAP in English 1209 GMT 9 Jun 93

[Text] Warsaw, June 9—Polish and South-Korean Foreign Ministers Krzysztof Skubiszewski and Han Sungchu signed an agreement on Polish-South-Korean cooperation in culture Wednesday, after plenary talks at the Polish Foreign Ministry.

Both ministers also said that visa requirements between Poland and South Korea would soon be lifted.

Minister Skubiszewski expressed regret that good Polish-South-Korean political contacts were accompanied by

economic stagnation and said that during Wednesday talks both sides discussed ways of overcoming it.

The South Korean foreign minister stressed that more frequent mutual contacts of representatives of both governments would promote mutual relations. He said that both sides decided to set up a joint commission to supervise the development of Polish-South-Korean economic contacts.

Solidarity Leader Discusses Current Situation

WS0906110093 Warsaw Radio Zet in Polish 1615 GMT 4 June 93

[Studio interview with Maciej Jankowski, Solidarity Mazowsze branch leader, by Jacek Skowronski; from the "Guest of Radio Z" program—live]

[Text] [Skowronski] Did Solidarity back out of the general strike?

[Jankowski] No. You can only call a general strike when it is absolutely necessary and might bring some positive effects, not just because you once promised it. Incidentally, such a protest action does not mean stopping the entire country for an indefinite time; otherwise it would be a revolution. No, the strike is not canceled. Many issues are still awaiting their solutions, without which workers and all society cannot properly function, such as the budget-financed sphere, social welfare, and compensation for the rising cost of living. We will soon speak with President Walesa and his government—his because he assumed responsibility for it—so we will see how these issues will be resolved. In any case, our field units are standing by ready to announce the strike.

[Skowronski] Why do you think that the strike is absolutely necessary?

[Jankowski] I am not saying it is absolutely necessary right now. What is necessary is a good preparation for it so that we can conduct it when this need arises.

[Skowronski] In other words, a strike may break out, but it does not have to.

[Jankowski] Yes. But protest actions are bound to be held, because many questions remain unresolved.

[Skowronski] Would it not be better for you to wait until the elections?

[Jankowski] There are certain issues that should be dealt with without delay. I am not sure, for example, whether those who barely scrape by until the next payday, faced with the 10-15 percent rise in the cost of living in July and August, can wait until the elections.

[Skowronski] Do you think that a spontaneous strike might break out?

[Jankowski] Yes. It has already occurred many times in the past. And such a strike is a lot worse, because no one knows exactly what to do and what goals should be achieved.

[Skowronski] Several weeks ago you organized a strike of the Solidarity Mazowsze branch. Was it successful?

[Jankowski] Yes, it was, even though the media reported otherwise. Since we reckoned with economic losses of the enterprises, the protest was deliberately moderated. Besides, it was seen as a preliminary measure. I believe that the strike was a success. We managed to drive home all of our points, forcing the government into recognizing and talking about them. The government originally would not even hear of any social insurance; now Labor Minister Kuron has suddenly proposed a debate on the three-stage insurance system reform that we came up with as early as three years ago.

[Skowronski] You have mentioned a meeting with the president. Who will meet him, and for what purpose?

[Jankowski] Earlier it was agreed that the Strike Committee would meet with the Sejm's Presidium and the president, who took responsibility for the functioning of the entire country.

[Skowronski] What can this kind of meeting resolve?

[Jankowski] We have specific proposals, and want to see if the president is able to influence the government and persuade it to implement them. One of them is to freeze prices for fuels and energy—a move that would embrace both social protection as well as anti-recession and anti-inflation measures.

[Skowronski] Does the government plan to raise these prices?

[Jankowski] It is hard to say. Well, no...of course it does.

[Skowronski] Were you surprised by the president's decision to dissolve the legislature?

[Jankowski] I was not surprised, because this was one of the three possible solutions which everyone had to think about. I do not think that this was the best one, much less the way it was implemented. The Sejm could have made several important decisions during this session. Moreover, it was willing to do so, as seen by the active work in its last days. And this is what surprised me most. In my opinion, it was disbanded out of two reasons. First, the decree-ruling legislation—as usual poorly prepared and giving too much power to the government with too little responsibility—was very likely to be voted down. Second, the dissolution might have been prompted by a legislative motion to run a check on personal files of the Belvedere staff.

[Skowronski] According to some observers, recent moves taken by the Mazowsze branch speak about its growing hostile toward the president.

[Jankowski] I think that in many cases the president inflicts damages on himself—refusing to clarify many of his decisions or giving them a very enigmatic explanation, and therefore frustrating the people. We do not think in terms of hostility toward the president, the government, or the legislature. The most important thing for us is our awareness of what we stand for. If the president adopts a course that we would consider useful for all the workers, not necessarily union activists, this state of things could be reversed.

[Skowronski] So what does Solidarity stand for—the pact on state enterprises?

[Jankowski] This is a completely different thing. It is about the method of its implementation. Many important and useful things included in the pact can and should be done. However, we should make sure that it does not shift all the responsibility to the employees, who are not in position to make any rational decisions.

[Skowronski] Will Solidarity take part in the elections?

[Jankowski] This will be decided by its congress, scheduled for 27 June. But based on the information that we are obtaining from our surveys and factory commissions, Solidarity is very likely to run in these elections.

[Skowronski] And what is your personal opinion?

[Jankowski] I think that it definitely will. Because of the unfavorable Sejm image and our previous legislative experience—not always a pleasant one—this is going to be a tough decision. Since an apparent game intended to curtail workers' rights is being played, our presence in the legislature is becoming indispenable. We cannot let our opponents simply walk over us in this game.

[Skowronski] What will this election campaign be like?

[Jankowski] In this campaign, we will place emphasis on broader participation in the reform on the part of workers and society, so that they may sample its profits and not only its costs. We will also press for the satisfaction of people's basic needs, efficient law enforcement, and proper administration of the budget sphere. Even if a decision is made not to participate in the election, Solidarity will indirectly join the campaign by checking what other parties and politicians have done in the past three years.

[Skowronski] But participating means taking someone's side.

[Jankowski] No. If, say, the Democratic Union or the SdRP [Social Democracy of the Polish Republic] throws out a beautiful slogan, we will ask them to say what they have done in the past three years as well as how they intend to make this slogan work.

[Skowronski] Will the upcoming campaign be as aggressive as the previous one?

[Jankowski] It is hard to say. We do not take much interest in an aggressive campaign, although we think it should be aggressive in terms of its merits. However, the government's reaction, such as putting down a demonstration organized by the PC [Center Accord] on Friday, may sharpen it extremely.

[Skowronski] Did you take part in the demonstration?

[Jankowski] No, I was at a meeting of Solidarity branch leaders in Kielce at that time; and we have unequivocally stated that this was not a Solidarity demonstration. However, since our union is pluralistic, uniting people with various convictions, many Solidarity members joined that action and were beaten up by the police.

[Skowronski] Why was the police reaction so tough? Were there any reasons for that?

[Jankowski] I think that the police were just testing to see if it was still possible to clobber society, and whether there is a way open to move toward a typical oligarchic state, dominated by the bureaucracy and shielded by the police.

[Skowronski] Is there such a threat?

[Jankowski] Such a system is most clearly being built—and not in theory, but in practice.

[Skowronski] Who is building this system?

[Jankowski] Its hotbed lies within a part of the Democratic Union, the Liberal Democratic Congress (its approach to economy is well known), the Polish Convention, and most of the SLD [Left Democratic Union], which feels very comfortable about this kind of arrangement.

[Skowronski] Does that mean that Solidarity supports the rest of the parties?

[Jankowski] At this point, Solidarity supports no party. We have repeatedly said that our union will no longer favor any party, individual, or slogan—not until they come up with a realistic program.

Financial Health of Enterprises Improves

LD0906183793 Warsaw PAP in English 1538 GMT 9 Jun 93

[Text] Warsaw, June 9—The financial health, productivity and profitability of enterprises in the first quarter of 1993 were generally better than during the same period last year and average losses at individual enterprises decreased to 1.3 trillion zloty (63 million USD) this year from 5.6 trillion zloty (363 million USD) in 1992, announced the Central Statistical Office (GUS) on Wednesday.

The rate of enterprise productivity during January to April 1993 stood at 3.5 per cent rising by 0.1 per cent over the same period last year, and by 1.4 per cent over last year in general.

Enterprise profitabitiy also rose during the first few months of 1993. Losses stood at 2 zloty per 1,000 zloty (7 cents U.S.) of profit, 9 zloty less than during the same period last year and 14 zloty less than in 1992 over all.

CIA Activities in Post-Cold War Era Viewed

PM1006090393 Gdansk DZIENNIK BALTYCKI in Polish 1 Jun 93 p 7

[Unattributed article: "No Boredom at CIA: The Dragon Is Dead, But the Jungle Is Still a Threat"]

[Text] James Woolsey, director of the Central Intelligence Agency (CIA), who is currently making a visiting tour of Central and East European countries, runs the world's largest intelligence apparatus, which commands an annual expenditure of $28 billion (equivalent to Hungary's gross national product) and which, despite having shifted its focus of attention since the end of the cold war, has no intention of curtailing its activities.

"We have slain a large dragon, but we now live in a jungle filled with a bewildering variety of poisonous snakes," Woolsey told a NEWSWEEK reporter last month. Two months earlier, interviewed by the U.S. Senate before his nomination as CIA boss, he stated that the fall of the Soviet empire "exposed a more threatening, more troubled, more uncertain world, posing more challenges to us than the previous one."

Woolsey, who, as CIA director, also supervises the activity of other U.S. intelligence services, including the National Security Agency which carries out satellite and other monitoring, allegedly asked the Congress not to reduce the intelligence expenditure too drastically despite the end to the cold war and the budget difficulties. Apparently President Clinton would even like to secure an agreement to increase the intelligence services' budget.

The CIA has halved the number of analysts concerned with the former USSR, and it intends to reduce the number of its personnel (currently some 20,000 employees) by about 18 percent through the year 1997. However, Woolsey believes that new threats, such as nuclear weapons proliferation, ethnic conflicts, environmental pollution, and economic chaos, require a superior rather than inferior intelligence-gathering system.

Two-thirds of the CIA's analytical work is allocated to the so-called tactical intelligence, which collects routine data on the ethnic situation in Kosovo, or on important—or less important, but ambitious or promising—foreign politicians. However, the Pentagon and other departments are currently hoping for more detailed information from human sources, not just from the press, documents, or electronic surveillance sources. However, such operations as spying on narcotics traders is far riskier than the earlier wrestling with the KGB, while the extraordinarily expensive technological backup facilities for the intelligence-gathering operations—including a network of spy satellites—have to be maintained in a constant state of alert. The satellites' precision sensors, which formerly measured the levels of radioactive krypton in the atmosphere in order to establish the extent of plutonium production for USSR missiles, today carry out the same mission above North Korea, Iraq, Iran, and Libya.

In addition, because of the end of the cold war the CIA both can and must devote more time and attention to industrial espionage. U.S. firms complain that their foreign rivals, aided by their own countries' intelligence services, steal so many of their technological, trade, and other secrets that their losses last year came to more than $100 billion.

Nowadays Washington, which since the years of the cold war confined itself to voicing muted protests to its allies whenever the latter were caught red-handed engaging in industrial espionage, finally intends to put a stop to allowing its friends to steal its secrets. However, the Clinton administration, which maintains that a strong economy is as important for national security as a strong army, itself faces a temptation to use its intelligence service to assist American companies, that is, to make available to them the information it gathers about their rivals.

Former CIA Director Robert Gates was opposed to this scheme. Woolsey has already disclosed that this question "generates the highest emotions in today's debates on intelligence policies."

Iliescu Demands Investigation of Corruption Cases

AU0906172293 Bucharest ROMPRES in English 1520 GMT 9 Jun 93

[Text] Bucharest ROMPRES, 9/6/1993—President Ion Iliescu has demanded a speeded up investigation of the major corruption cases disclosed by the press, and the keeping abreast of public opinion, when possible, even with partial results.

In a meeting on June 9, 1993, with the minister of justice, the Romanian Intelligence Service chief, the prosecutor general, the General Police Inspectorate chief, and the president of the Court of Public Accounts, President Ion Iliescu inquired about the steps taken by the relevant institutions to expedite the actions of tracing, investigating, and taking due course as regarded the cases of corruption.

It was assessed during the meeting that, apart from the effort to trace and settle the concrete cases of corruption, the respective institutions ought to take steps for averting the infringement of the law, by keeping the public opinion abreast with the legislation in force, continuing and intensifying the cooperation among all institutions that have attributions in fighting corruption, so as to enhance the efficiency of every one of them in this domain.

Melescanu Comments Upon Return From Netherlands

AU0906180493 Bucharest ROMPRES in English 1603 GMT 9 Jun 93

[Text] Bucharest ROMPRES, 9/6/1993—"The Netherlands is the second country, following the United Kingdom, which pledged to support Romania's claim for compensations for the losses caused by the embargo," Minister of State, Minister of Foreign Affairs Teodor Melescanu stated on his arrival at the Otopeni International Airport after an official visit in the Netherlands over June 6-9. The promised support will be provided by "speeding up several loans and assistance programs and by extending the limits of such loans made to Romania."

The foreign minister referred also to the second important issue of discussions, the integration of Romania in the European structures. The Romanian minister said that Romania's request to be admitted as full member of the Council of Europe would be supported by the Dutch government.

Iliescu, PNTCD Leader Allegedly Meet

AU1006090593 Bucharest ROMANIA LIBERA in Romanian 7 Jun 93 p 1

[J. Rica article: "President Iliescu Met Secretly With Corneliu Coposu"]

[Text] The announcement made by presidential spokesman Traian Chebeleu that President Ion Iliescu intends to hold new "consultations" with the leaders of the parties in Parliament is starting to be borne out. An extensive meeting between Iliescu and Corneliu Coposu, president of the National Peasant Christian Democratic Party [PNTCD] was held on 5 June. This meeting took place a few weeks after Iliescu invited Mircea Ciumara, PNTCD deputy and director of the Romanian Institute for Christian Democratic Studies, to Cotroceni Palace. Our source that informed us about the secret meeting also said that other secret meetings with party leaders will follow in keeping with Iliescu's attempt to attract the opposition into a coalition government. It seems that Iliescu is preparing to sacrifice the Vacaroiu government, and the presidential slaughterhouse intends to prepare a governmental "sausage" earmarked for export. We wish to note that these steps were initiated after PD (FSN) [Democratic Party National Salvation Front] leader Petre Roman appealed to Iliescu to change the configuration of the parliamentary majority and form a new coalition government without extremists.

UN General Assembly To Discuss Tiraspol Trial

AU0906172493 Bucharest ROMPRES in English 1522 GMT 9 Jun 93

[Text] Bucharest ROMPRES, 9/6/1993—Romanian Foreign Minister Teodor Melescanu's letter addressed to the United Nations secretary general, regarding the mock trial in Tiraspol where six Moldovan patriots are tried, was circulated as official document of the UN General Assembly which is going to examine it within the 114 and 115 points referring to human rights issues of the provisional agenda of the 48th session, reads a Foreign Ministry communique received by ROMPRES.

The communique reads also that several personalities of the international life condemned the mock trial in Tiraspol and expressed their support for Romania's international efforts in favor of the Moldovan patriots.

Foreign Media Bulletin: Balkan Crisis 10 June

WA1006155293

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Croats, Muslims agree on cease-fire in central Bosnia ... Sporadic fighting reported throughout Bosnia ... Croatian official says Croatia may sever diplomatic ties with Bosnia ... Bosnian Serb leader Karadzic threatens Serbian attack on Sarajevo ... Tudjman cuts short visit to China.

MILITARY

CROATS, MUSLIMS AGREE ON CEASE-FIRE (Sarajevo Radio): Muslim, Croatian "senior military representatives" agree on cease-fire for central Bosnia. New Bosnian Army commander orders "immediate halt" to Muslim combat activities in Travnik, urges Croatian commander to issue similar order in Novi Travnik. (LD0906210793, AU0906191193)

FIGHTING REPORTED IN BOSNIA (Sarajevo Radio, Zagreb Radio): Sarajevo Radio reports Serbian shelling of Gorazde in eastern Bosnia and in towns along the northern "corridor" region. Croatian forces report that they "repelled" a "strong infantry attack" by Muslim forces in Mostar. (AU1006123893, LD0906222693, LD1006085593)

AMBUSHES IN SARAJEVO REPORTED: Zagreb Radio reports "manhunting" by unidentified military units in Sarajevo "at all hours of the day." People being ambushed, taken to dig trenches "regardless of the state of their health." (LD0906164193)

POLITICAL

SEKS WARNS BOSNIANS (TANJUG, Zagreb Radio): Croatian Deputy Prime Minister Seks says Croatia will be "compelled to sever diplomatic ties" with Bosnia if Muslim attacks on Croats in central Bosnia continue, may "reevaluate" its treatment of 226,000 Muslim refugees in Croatia. Croatian Government demands Bosnian President Izetbegovic order "end to the pogrom" against Croats in Bosnia, launch investigation of attack on Travnik, punish those found responsible. (LD1006110593, LD0906181693)

KARADZIC THREATENS TO ATTACK SARAJEVO (TANJUG): Claiming Muslim authorities are holding "60,000 Serbs under inhuman conditions" in Sarajevo, Bosnian Serb leader Karadzic says Bosnian Serbs have "moral right" to protect Serbs and to "defeat" Muslim forces defending the city. (LD0906185093)

TUDJMAN CUTS CHINA VISIT SHORT (Zagreb Radio): Citing the "dramatically worsening situation" in Bosnia, Croatian President Tudjman cut short his visit to China and returned to Zagreb for talks with international mediators. (LD0906212493)

B-H Army, HVO Agree on New Cease-Fire

AU1006120793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 10 Jun 93

[Text] Colonel Rasim Delic, commander of the General Staff of the Army of Bosnia-Herzegovina, and Major General Milivoje Petkovic, commander of the General Staff of the Croatian Defense Council [HVO], are meeting in Kiseljak today to discuss the tense military situation in central Bosnia. This was stated at a regular news conference in the Sarajevo UNPROFOR [United Nations Protection Forces] Headquarters today.

UNPROFOR spokesman Barry Frewer told journalists that General Morillon, commander of the UN peace forces in Bosnia-Herzegovina, will meet Mate Boban, leader of the Bosnia-Herzegovina Croats, in Kiseljak later today to discuss the clashes between the Army of Bosnia-Herzegovina and the HVO.

The meeting between the commanders of the Army of Bosnia-Herzegovina and the HVO was not held in Kiseljak yesterday. General Morillon held separate talks with Major General Milivoje Petkovic and Stjepan Siber, deputy commander of the chief of the General Staff of the Army of Bosnia-Herzegovina. This was followed by a meeting of a mixed military group at which senior military representatives of the Army of Bosnia-Herzegovina and the HVO agreed on yet another cease-fire in central Bosnia. The cease-fire should go into effect at 1400 [1200 GMT] today.

According to [words indistinct], the clashes between the two sides continued in several places yesterday and overnight. According to Barry Frewer, after 2300 last night, fierce clashes broke out in Kakanj and the village of Katici, near this town. In the clashes between the Army of Bosnia-Herzegovina and the HVO, the fighters used infantry weapons. A more serious shelling occurred only occasionally. A section of French units from Sarajevo has urgently been sent to this conflict region. During their patrol between Kakanj and Katici, the French soldiers noticed clashes that went on into the night. Some 30 refugees in this region have found temporary shelter in a factory. UNPROFOR has urgently sent two teams of doctors to this region to help the wounded.

Members of UNPROFOR also reported fierce clashes north of Vitez, where light automatic weapons and artillery were used. Vitez gives impression of being under a siege, because [passage indistinct] the Croatian Defense Council has set very strong defense lines on all access roads to the town. On the road between Zenica and Vitez, the British military personnel carriers were subjected to barrage fire on several occasions. They fiercely responded to all these attacks. The British did not have any casualties and did not suffer any significant damage to their vehicles.

New clashes also broke out in Mostar yesterday. UNPROFOR observers registered 45 mortar shells being fired. In the afternoon, clashes took place in Mostar Mahala.

Delic Orders Cease-Fire

AU0906191193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 9 Jun 93

[Text] To overcome the problems in realization of the Medjugorje Agreement, Mr. Rasim Delic, commander of the Headquarters of the Supreme Command of the Bosnia-Herzegovina Armed Forces, ordered the units of the Bosnia-Herzegovina Army to immediately halt all combat activities against the troops of the Croatian Defense Council [HVO] in Travnik.

Commander Delic also demanded that the General Staff for the Novi Travnik area issue a similar order to the units of the Croatian Defense Council and (?called upon) the UN Protection Force to send observers to the critical zones to supervise the implementation of the Medjugorje Agreement. It is demanded that the observers [word indistinct] Gorazde, where genocide against the unarmed population continues.

Checkpoints Established

AU0906191393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 9 Jun 93

[Travnik War Presidency report]

[Excerpts] Combat activities are continuing in Travnik. [passage omitted] We would like to point out that the reports originated by the Croatian and Serbian media claiming that the monastery in [word indistinct] Gora has been destroyed are not true. On the contrary, [words indistinct] is intact. [Words indistinct] discovery that [word indistinct] church was shelled from the positions of the Croatian Defense Council [HVO], as this act would probably be ascribed to the Bosnia-Herzegovina Army. The fighters of the HVO also shelled [words indistinct] and the mosque in [Donji] Vakuf. [passage omitted]

The Bosnia-Herzegovina Army and the official town authorities are appealing to all those who have left their homes to return. They assure them that in [words indistinct] and that there is no reason to leave Travnik. [Words indistinct] of the Bosnia-Herzegovina guarantee them safety and protection. Policemen of the Travnik Public Security Station are controlling the town. To protect [words indistinct], checkpoints have been set up at the town's access roads, while the town is being controlled by police patrols. [passage indistinct] A decree was also issued to confiscate vehicles and all goods for which no details of origin or (?ownership) exist. [passage omitted]

UN Spokesman: Bosnian Army Continues Offensive

AU0906134793 Paris AFP in English 1309 GMT 9 Jun 93

[Text] Sarajevo, June 9 (AFP)—The Moslem-led Bosnian army pushed on with its offensive against Croats in the centre of the republic Wednesday, heading westwards down the Lasva valley, a U.N. spokesman said.

Meanwhile, as the U.N. forces commander began emergency ceasefire talks with leaders of the Bosnian and Croat forces, former allies against the Serbs, it was announced in Geneva that Bosnian President Alija Izebegovic would meet there at the weekend with Bosnian Croat leader Mate Boban to discuss the situation.

The Bosnian army gained total control Wednesday of the towns of Travnik, Turbe and Zenica, a spokesman for the U.N. Protection Force (UNPROFOR) said.

"The situation in the area north of Lasva has deteriorated considerably in the last 24 hours," the spokesman said, adding that Moslem forces had taken several villages overnight in the offensive from Zenica, 20 kilometers (12 miles) east of Travnik, as thousands of Croat civilians fled the shelling.

In Belgrade, meanwhile, the chief of staff of Serbian forces in Bosnia, General Manojlo Milovanovic, accused UNPROFOR of supplying the Moslem forces—including those in the U.N.-declared safe havens of Srebrenica and Zepa—with weapons via aid parachute drops, the news agency Tanjug reported.

But peace moves remained on the agenda as General Philippe Morillon, commander of the U.N. forces in Bosnia, sought a ceasefire in emergency talks with the leader of the Bosnian Croat forces, Milivoj Petkovic, and a colonel representing Moslem troops.

The talks got under way in Kiseljak, near Sarajevo, at 11:00 a.m. (0900 GMT), UNPROFOR said.

E.C. negotiator Lord Owen was also expected to relaunch peace negotiations Wednesday afternoon in Belgrade after arriving from Luxembourg, where European Community foreign ministers reconfirmed that the Vance-Owen plan—rejected by the Bosnian Serbs—was the basis for the E.C. strategy in Bosnia.

And in Paris an upbeat Butros Butros-Ghali, U.N. Secretary General, said after a meeting with French Premier Edouard Balladur Wednesday that he hoped to find the extra 5,000 U.N. peacekeepers considered necessary for effective protection of the safe havens within days.

But the scale of the central Bosnian offensive by the Moslems—the intended beneficiaries of the six safe havens set up on May 6 in areas where they are besieged by nationalist Serbs—emerged in reports from the Hina news agency.

According to Croat military sources six brigades of the Moslem army participated in the offensive, Hina said, adding that more than 400 people had been killed, 500 injured and 500 gone missing since the fighting broke out Friday.

Some 20,000 Croat civilians had fled the shelling in the Travnik area, Hina said.

But the first group of between 400 and 500 Croat refugees from the Travnik region were expected to arrive late Wednesday in Croatia, a Red Cross spokesman said in Zagreb.

The group left Turbe, east of Travnik, Wednesday morning, and set out across Serb-held territory in northwestern Bosnia towards Novska, 100 kilometers (62 miles) east of Zagreb, the spokesman said.

Earlier Wednesday UNPROFOR spokesman Barry Frewer said in Sarajevo that U.N. Ukrainian troops fired on intruders, who then fled, late Tuesday in the Zepa safe haven in eastern Bosnia.

It was the first such incident since the U.N. Security Council moved to authorize sending more troops to protect the havens and allowing them to fight.

Battles in Gorazde Wednesday pitted attacking Serb nationalist forces against the Bosnian army. Serb forces were attacking for the 14th straight day with shelling of the town Wednesday morning, Sarajevo radio reported.

Attacks Mostar, Kakanj, Vilenica

LD1006085593 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 10 Jun 93

[Correspondent Zdenko Vranjes report "from Herzegovina"]

[Text] Following a strong infantry attack by the Muslim Army last night, which was repelled, Mostar is relatively quiet this morning. Fifteen members of the Croatian Defense Council [HVO] forces were wounded in the fighting, in which all types of heavy infantry weapons were used.

The press center of the HVO's central Bosnia third operational zone reports that Muslim forces last night launched a fierce attack on villages in the Kakanj municipality. One person was killed and seven were wounded in the villages of Bijelovici and Obrovici, which came under attack.

Novi Travnik is relatively quiet, but an attack by the Muslim Army on Vilenica, a hill strategically important for the defense of Novi Travnik, is still in progress.

'Horrific Onslaught'

LD0906124093 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 9 Jun 93

[Text] The HVO [Croatian Defense Council] command of the Travnik Brigade has announced that six brigades of the Muslim army, which are destroying, burning, and killing, are engaged in the horrific onslaught by Muslim extremists against Croats in the Lasva River valley and that extremists from Travnik and (Ravno Rostovo) are the worst of all.

According to incomplete reports, more than 400 people have been killed in the attacks by the Muslim army. About 500 have been seriously or lightly wounded and another 500 are missing. It is estimated that more than 20,000 people managed to escape in the direction of the areas of Busovaca, Vitez, and Novi Travnik.

Members of the British peace force battalion last night helped rescue 4,000 civilians from the village of Brajkovici; 50 elderly people are still there. It is still not known what happened to 500 Croats in the besieged village of Maline. There are about 800 Croats in the Franciscan monastry in Guca Gora. They are expected to be rescued during the day.

According to estimates by the HVO command of the Travnik brigade, about 1,000 Croats are being held prisoner in Travnik. It is not known what has happened to the people from the Travnik area who did not manage to withdraw with the bulk of the refugees.

Bosnian Serbs, Croats Forming Alliance

AU1006072893 Paris AFP in English 0444 GMT 10 Jun 93

[By Bruno Franchesi]

[Text] Split, Croatia, June 10 (AFP)—Fighting in Bosnia-Herzegovina between Moslems and ethnic Croats is spawning an alliance of convenience between the Croats and ethnic Serbs in the area, foreign observers say.

Several recent examples of cooperation between the erstwhile enemies recall the secret accord that the Serbs and the Croats reportedly reached before the war for their eventual joint carve-up of Bosnia-Herzegovina.

Monday's capture by Moslem forces of the central Bosnian city of Travnik forced some troops of the Croatian Army (HVO) and hundreds of Croat civilians to seek refuge behind Serb front lines.

It was the first real evidence of such collaboration since the start of the Bosnian war. The Croats and Moslems had previously allied themselves against a strong advance of Serbs from western Bosnia.

But at Konijce and surrounding areas south of Sarajevo, the Serbs are now providing more or less open artillery support for Croat forces seeking to contain Moslem expansion.

The Moslems' campaign had been boosted by an influx of volunteers from Moslem countries.

In Brcko, northern Bosnia, skirmishes between Croats and Serbs over a land corridor to Serbia have on the other hand died down.

Nor is any significant Serb-Croat fighting now reported over Krajina, the Serb-controlled enclave in Croatia, where Serb forces had been threatening to cut Croatia in two at the Adriatic port of Zadar.

In Mostar, Herzegovina, Serb artillery has been silent since early May, when the Croats began trying to push their former Moslem allies out of there. "We (Croats) are doing their (the Serbs') job now," a local Croat military spokesman said.

But the alliance, even if only tactical, could work against Croatia, which has for months been trying to ward off a Serb push towards the Adriatic sea, the observers said.

This drive is also felt to the west of Bosnia, in Serb-held Krajina, where the Serbs plan to hold a referendum late this month on the question of linking up with other Serb-held territory.

The Croatian Government has already ordered a general troop mobilization ahead of the referendum, putting a question mark over any alliance between Croats and Serbs in Bosnia, the observers said.

Apparently aware of the stakes involved, the head of the Bosnian Croats, Mate Boban, took pains Tuesday [8 June] to deny the existence of any alliance, agreement understanding or collaboration with the Serbs.

He said his soldiers in Travnik did not go over to the Serbs, but that Croat civilians had taken refuge on the Serb side with the help of some Croat troops.

Boban also dismissed the reports of Serb artillery support in Konijce and Mostar.

He was particularly critical of the U.N. role in the area, saying it was apparently incapable of containing the Serbs and preventing "ethnic cleansing" operations.

B-H Foreign Ministry Proposes Joint Commissions

AU0906201593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 9 Jun 93

[Text] The Bosnia-Herzegovina Ministry of Foreign Affairs expresses its particular respect for the Croatian Ministry of Foreign Affairs and is honored that Her Excellency Mrs. Bisera (?Turkovic), ambassador of the Republic of Bosnia-Herzegovina in Croatia, held talks with Mr. Jure Radic, president of the Office of the

President of the Republic of Croatia. [Word indistinct] to report that the Government of the Republic of Bosnia-Herzegovina expresses its concern over the recent development of events in Travnik.

The Ministry of Foreign Affairs would like to state that the information held by the Bosnia-Herzegovina Government concerning the situation in Travnik differs from the information that the Republic of Croatia presented in the aforementioned talks. The Ministry of Foreign Affairs conveyed that the commander of the Bosnia-Herzegovina Army (?in the course of the afternoon) on 9 June 1993 issued a cease-fire decree for the entire territory of Travnik. The Ministry of Foreign Affairs also proposes that, on the basis of the agreement by the two presidents in Medjugorje, joint commissions be formed which will, in cooperation with the UN Protection Force, immediately go into the field, examine the situation, and [words indistinct] facts and [words indistinct] the governments of our two countries as well as to the public.

The Ministry of Foreign Affairs in the name of the Republic of Bosnia-Herzegovina on this occasion expresses the desire and willingness to develop good-neighborly relations and versatile cooperation on the basis of mutual trust between the Republic of Bosnia-Herzegovina and the Republic of Croatia.

Street Fighting Reported in Brcko

LD0906222693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 9 Jun 93

[Text] The free territory of Brcko, as reported by Nihad Salihovic and Halid Deronjic, is still being pounded by Serb Democratic Party terrorists. They enemy has deployed tanks in (?Sekulici) and (?Pekici) and has opened fire on (?Lipovac). The positions held by our defenders in Bajici, Brod, Licki Most, Dizdarusa, Rijeke, and Omerbegovaca are also under heavy fire.

[Reporter] Clashes are being waged with hand grenades in infernal street warfare in the residential areas of [name indistinct], Sokak, Licki Most, Rijeke, Dizdarusa, and Omerbegovaca. The heroes of Brcko and the Bosnia-Herzegovina Army units that joined them, resisting the well-armed chetniks and their tanks, are not allowing the aggressor to move the defensive lines by even one single meter. The clashes along the corridor, the struggle for the lives of 50,000 totally unarmed displaced persons, is entering its 12th hour.

Serb Forces Regain Control of Dobro Polje

LD1006093393 Belgrade TANJUG Domestic Service in Serbo-Croatian 0815 GMT 10 Jun 93

[Text] Trebinje, 10 Jun (TANJUG)—Fighters of the Herzegovina Corps have regained full control of the village of Dobro Polje in the Kalinovik section of the battlefront, which Muslim forces captured in a fierce attack from the direction of Trnovo and Rogoj yesterday, Serb military sources report.

Fierce hand-to-hand fighting was in progress all day yesterday and last night in the area. Muslims launched an attack on Dobro Polje using strong infantry forces, and the fighting was accompanied by constant artillery fire from both sides.

The command of the Herzegovina Corps reports that Muslim forces suffered huge losses in personnel. Dozens of Muslim forces were killed, and about 50 are estimated to have been wounded. Seven Serb fighters were killed and nine wounded in the fighting in the Dobro Polje area. The fighting is still in progress this morning in this section of the battlefield, but it is of considerably lesser intensity than yesterday and last night.

Constant fighting between Serb and Muslim forces is continuing for the third day in the Foca area, with both sides suffering losses. The information service of the Herzegovina Corps announced that dozens of Muslim unit fighters have been killed. Three fighters were killed and 12 wounded on the Serb side.

Since yesterday afternoon there have been only minor provocations on other sections of the Herzegovina battlefield, to which Serb fighters did not respond.

Gorazde Under Fire as 'Chetniks' Advance

AU0906140493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 9 Jun 93

[Text] Since 0545 [0345 GMT] this morning the aggressor has intensified his offensive on the Gorazde area. The chetniks are shelling the city center fiercely with projectiles of all calibers. Fahrudin Bekic reports:

[Begin Bekic recording] There has been no break in the attacks on the defense lines. Large chetnik forces are using all means in order to get even closer to the city. There are wounded everywhere, among the defenders and particularly among the civilians. In the general lack of all resources, they are being transported to the hospital with horse-drawn carts. According to the information we were able to learn, at least (?three) people have been killed, while seven have been wounded. Continual battles are still being waged in the area of Carevo Guvno, (?Ostapice), and Ilovaca. Several hundred shells have landed since this morning on the defenders of (?Nebeski Srg), (?Trvanj), Bar, and Orahovica.

[Words indistinct] have been holding out with great effort [words indistinct] of the aggressor. Of course, there is no food, medicine, fuel, sanitary articles, clothes, shoes, and space for several thousand people in Gorazde. [end Bekic recording]

Tuzla Contemplates Using 'Chlorine' for Defense

AU0906160093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 9 Jun 93

[Salih Brkic report from Tuzla]

[Excerpts] [Word indistinct] people on the free territory of [words indistinct] is in an extremely difficult situation that is [words indistinct] towns. [Words indistinct] Bosnia-Herzegovina, while supply of food, medication, and other aspects of humanitarian aid has been hampered. The United Nations has done nothing to open the blue corridors. Dubrave Airport [words indistinct] waiting in vain for the arrival of the first aircraft, just as we wait in vain for the securing of the 20 kilometers of road through the temporarily occupied territory near Brcko. [passage omitted]

A session of the Tuzla District Council has been called for tomorrow at which the referendum question will be defined, which will concern 1 million people living on this, the largest of the free territories. [Words indistinct] to use chlorine and other chemical agents for defense purposes, bearing in mind that this involves the risk of self-destruction, but all this in the defense of human dignity. [passage omitted]

We propose to the residents of Tuzla district that they decide at the referendum whether to support our (?dramatic) decision that is [words indistinct] in the defense of human dignity. While the chetnik helicopters fly every day without any sanctions, the announced flight of our helicopter [words indistinct] could have ended tragically because of the intervention by UN aircraft. [passage omitted]

Karadzic on Upcoming Vance-Owen Plan Talks

LD0906185093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1640 GMT 9 Jun 93

[Text] Belgrade, 9 Jun (TANJUG)—The Vance-Owen plan cannot be imposed on the Serbs, but there is no reason why those sections referring to the Muslims and the Croats should not be implemented, Dr. Radovan Karadzic, president of the Serb Republic, told TANJUG today. Commenting on the information that negotiations on the progressive implementation of the Vance-Owen plan will start on Saturday [12 June], in Geneva, without the Serbs, Karadzic stressed: "The Serbs have no objections to the realization of the Vance-Owen plan on the part of the Muslims and the Croats if they so desire."

"However, we doubt that the plan could be implemented even in such a way, because the Croats and the Muslims have been at each others' throats precisely from the moment they signed it," he added.

Why the Serbs have not been invited to the continuation of the negotiations in Geneva was explained in a statement to TANJUG by Fred Eckhard, the spokesman of the conference on the former Yugoslavia. "There is no point in insisting on the participation of the Serb side in the negotiations, since Karadzic, during his meeting with Lord Owen in Pale on 4 June, made it clear more than ever before that he wishes a Serb Republic," Eckhard said.

"We are very pleased that the cochairmen acknowledge the fact that the Serb Republic exists," Karadzic underlined while commenting on this statement. He recalled that two days ago the Serb Republic elected three members to the coordinating body which should negotiate the division of authority between the three national communities in the former Bosnia-Herzegovina. "We believed this to be a good framework for the continuation of the peace process, which we view positively," Karadzic explained.

Karadzic welcomed Greece's initiative for the convocation of a new meeting in Athens, at which the Croatian-Serbian dispute would be discussed. In his words, it would be good if all the protagonists of the mentioned dispute could attend, including the Serbs from the republic of Serb Krajina. As far as representatives of the Serb Republic are concerned, they, as he said, will certainly take part if invited.

Commenting on indications that the United States, at the forthcoming NATO ministerial meeting, might request the creation of "multinational forces" for the implementation of the peace agreement in Bosnia, if it is signed, the Bosnian Serb leader said that "international forces would be redundant, if the agreement gets signed."

"If not, the plan would be imposed by weapons, and any plan that has to be imposed by armed force is not a good plan," Karadzic explained. He also added that he is opposed to NATO's involvement in the operation of protecting the safe havens. "It would not be a good idea for NATO troops to come to Bosnia, or troops from the Islamic countries, or any other country that displays a biased approach in this conflict," Karadzic said, adding that "the Serbs would not accept them on their territory."

Asked to explain a recent statement that the Serbs "will one day have to enter Sarajevo peacefully or by military means," Karadzic said that this will depend on whether the Muslim leadership is still in favor of the war option. He recalled that the Muslim authorities in the city are "holding around 60,000 Serbs under inhuman conditions."

"We demanded that the Serbs from Sarajevo be released and permitted to leave the city, in accordance with the Geneva Convention and the agreement on the freedom of movement of citizens that was signed last October," he said.

"We expected the Muslim leadership to honor the convention and cease attacking. Instead, it called on the people to wage an all-out war. We now have not only the moral, but also the legitimate right to defeat them,

especially in the Serb-populated parts of the city," Karadzic said in conclusion.

Serbs Protest to UNPROFOR Over Abuse of Aid

LD0906122293 Belgrade TANJUG Domestic Service in Serbo-Croatian 0950 GMT 9 Jun 93

[Text] Belgrade, 9 Jun (TANJUG)—Major General Manojlo Milovanovic, chief of the General Staff of the Serb Republic's Army, sent a letter to UNPROFOR's Command today protesting the abuse of the "Parachute" air-drop relief operation.

The Main Headquarters, the protest letter says—a copy of which was forwarded to TANJUG—"has reliable data and information showing that the transport planes involved in Operation 'Parachute' supply weapons and ammunition, military equipment for various purposes, and fuel." The arms and equipment are procured from the Islamic countries or purchased in Germany, where the planes are based, while the officials who run the operation provide guarantees to the Muslim lobby that all this will be delivered to Srebrenica, Gorazde, Zepa, Mount Igman, and other areas controlled by the Muslims.

There is also evidence, the protest letter goes on, that UNPROFOR forces and experts of various professions are actively involved in the process of the realization of tasks on the ground, and that entire teams, with the assistance of the local Muslim authorities, are drawing up plans for joint activities ranging from combat operations to logistical support to the so-called Army of Bosnia-Herzegovina. This collaboration has acquired such proportions that the Muslims have accepted UNPROFOR forces, humanitarian organizations, and UN experts as their own army, Gen. Milovanovic says in his letter of protest to UNPROFOR.

Rift Revealed in Bosnian Muslim Leadership

LD0906175493 Belgrade TANJUG in English 1501 GMT 9 Jun 93

[Text] Petrovac, June 9 (TANJUG)—The latest fierce fighting between Bosnian Croats and Moslems has brought to light a deep rift in the Moslem leadership which has been carefully concealed so far.

Fikret Abdic, member of the former Bosnia-Herzegovina presidency, on Monday strongly criticized Bosnian Moslem leader Alija Izetbegovic in his first public statement in seven months.

Abdic, the most prominent Moslem figure in the Cazin Krajina region situated between the republic of Serb Krajina and the Bosnian Serb republic, said he had to turn his back on the Bosnian Moslem Democratic Action Party (SDA) because it had turned into Izetbegovic's private party and because its policy was devastating for the Moslem people.

The Cazin Krajina Moslems are against the continuation of the war, and against Izetbegovic, he said.

Abdic ran for Bosnian president against Izetbegovic three years ago and his present confrontation with the Bosnian Moslem leader comes as no surprise. He and the whole of Cazin Krajina, which is 50 km wide and 26 km long, lean on Croatia from which they are separated by the republic of Serb Krajina.

Aware that the Cazin Krajina Moslems, geographically separated from Moslems in central Bosnia and at war with both the local Serbs and Croats, stand no chance of surviving, Abdic is forced to pursue a much more pragmatic and liberal policy than Izetbegovic, which does not mean, however, that he and his followers have given up the idea of turning Bosnia-Herzegovina into an Islamic republic.

The first indication of Abdic's distancing from Izetbegovic came several weeks ago when he ousted Moslem extremists Hodza Veladzic, mayor of Kladusa, Zijad Kadic, police chief in Bihac, and Ejub Topic, chairman of SDA's regional board.

With these changes, Abdic's more moderate and liberal faction was able to continue undisturbed its trade, smuggling and profiteering operations. There are no shortages of goods in the Cazin Krajina if you have German marks or coupons issued by Abdic, say refugees from the region. The dinar issued by the Bosnian Moslem government in Sarajevo is of no value there.

The fierce Croat-Moslems fighting in Bihac over the past few days shows, however, that Abdic is not controlling all of the local Moslem troops. This is also evident from his statement accusing some individuals—such as Ramiz Drekovic, the local Moslem commander in Bihac—of self-willingness and of bringing disaster and death to the Moslem people.

Analysts say that proclaiming Bihac a "safe haven" and stepping up U.N. presence there would help calm the situation in the region and strengthen Abdic's position as a more moderate politician, whose influence may then spread throughout Bosnia.

The announced rift in the Moslem leadership will, however, have little influence on the policy of the Moslem authorities in Sarajevo, because their confrontation with Abdic has existed before and because he is pursuing an autonomous policy in the Cazin Krajina.

Serbs and Croats living in the region have little to expect from these events and will have to continue to rely on themselves in protecting their interests and centuries-old homes.

They can only hope that Abdic will negotiate with them and that, in the interests of his people, he will keep the promise made on Monday when he said that the Cazin Krajina Moslems were not for war, that they had no intention of seizing territories or provoking anyone and that they would defend themselves only when necessary.

Tudjman 'Forced' To Cut Short Visit to PRC

LD0906212493 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 9 Jun 93

[Text] In view of the dramatically worsening situation in the areas of Bosnia-Herzegovina bordering Croatia and those populated by Croats, President Franjo Tudjman has been forced to cut short his state visit to the People's Republic of China and to return to Croatia, a statement issued by the Croatian Embassy in China said.

According to the statement, the decision to cut short the state visit was prompted by recent heavy attacks by Muslim forces on Travnik and on the Croat population in some other parts of Bosnia-Herzegovina. This has resulted in an exodus of Croat refugees from these areas into neighboring Croatia and into parts of Bosnia-Herzegovina under the control of the Croatian Defense Council.

In response to this, President Tudjman has agreed to talk to international factors about the deteriorating situation in Bosnia-Herzegovina and about urgent measures that need to be taken. President Tudjman expressed regret at the latest developments.

Chinese officials said that they fully understood the decision to cut short the state visit. They reiterated their desire for productive cooperation in developing friendly links between Croatia and China as outlined in a joint statement signed on 7 June.

Members of the Croatian state delegation responsible for economic and trade links will continue their activities in China as planned, the Croatian Embassy in China says in conclusion.

Serb Official: Krajina 'On Verge of Total War'

AU0806141893 Paris AFP in English 1400 GMT 8 Jun 93

[Text] Belgrade, June 8 (AFP)—Croatia has mobilised 200,000 troops and placed missiles on red alert as Serb-held Croatia stands on the verge of total war, the prime minister of the self-proclaimed Serbian republic of Krajina claimed Tuesday [8 June].

Warning that Croatian forces were preparing a "final assault" on Krajina, Djordje Bjegovic told the Belgrade weekly VECERNJE NOVOSTI that the Vance-Owen peace plan for Croatia was "dead" and that nothing envisaged by the plan had been achieved.

"We have been forced to seek new ways of resolving this untenable situation," he said in reference to the decision by the Krajina authorities to organise a referendum on unification with their counterparts in Bosnia.

Unification was "the only possible choice to protect ourselves and boost the economy," Bjegovic added.

But the plebiscite was seen as a new challenge by the Croatian military, which he claimed had mobilised 200,000 troops and concentrated its forces in Dalmatia and possessed surface-to-surface SCUD missiles which it had placed on red alert.

Bjegovic said the Croats were now "only waiting for the signal from Zagreb to launch their final assault" on Krajina.

War would return to the region in a matter of days, he predicted.

He stressed Serbian authorities in Krajina had informed the international community of Croatia's military preparations and that renewed attacks would be seen as "the beginning of total war."

RSK Foreign Ministry Warns of Attack by Croatia

LD0906143993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1124 GMT 9 Jun 93

[Text] Belgrade, 9 Jun (TANJUG)—The Foreign Ministry of the republic of Serb Krajina [RSK] today sent a letter to foreign diplomatic missions in Belgrade asking them to influence their governments toward taking urgent measures aimed at preventing the planned military aggression by the Republic of Croatia against the RSK.

The letter—also forwarded to TANJUG—recalls that Franjo Tudjman has issued a call to arms to all conscripts and is determined to engage more than 200,000 troops in the attack against the RSK, which has a population of only 500,000. The letter also notes that if we bear in mind that the Croatian Army ethnically cleansed western Slavonia as early as 1991, that it carried out aggression against Serb-populated parts of former Bosnia-Herzegovina, and that it occupied parts of the RSK on several occasions in the presence of the UNPROFOR [UN Protection Force], then all we can expect is a most brutal assault on all the inhabitants of Krajina.

The letter recalls UN Secretary General Butrus Butrus-Ghali's report of 15 May this year which said that the authorities of the Republic of Croatia had banished, not counting war operations, 251,000 Serbs, who found refuge in Serbia and the RSK. This figure does not include those who were forcibly migrated to other countries. Moreover, the present authorities confiscated all of their property. The letter points out that this proves that the Republic of Croatia has carried out the most extensive ethnic cleansing in the former Yugoslavia. On the territories under its control it has expelled and robbed the Serb population, which did not even resist Croatia's secession from Yugoslavia.

This state-sponsored terror was carried out by Croatia before the eyes of the international community; according to the letter, this encourages Franjo Tudjman.

The end of the letter points out that the RSK has been in existence for three years now and that it has its own

territory, population, and organs of authority. It was founded as a state due to the disintegration of the former federal unit of Croatia and has the same right to existence as the present-day Republic of Croatia.

RSK Ready for 'Dialogue on Equal Basis'

LD0906180793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1717 GMT 9 Jun 93

[Text] Knin, 9 June (TANJUG)—The government of the republic of Serb Krajina [RSK] today warned the UN Security Council, Secretary General Butrus-Ghali, Cedric Thornberry, and Thornvald Stoltenberg, "that Croatia is planning to continue its aggression against the RSK."

An official statement issued from today's session of the RSK government said that "such conduct of Croatia's military and political leadership causes great anxiety among the people." The statement drew attention to the fact that Croatia has not withdrawn its units from the temporarily occupied territories of the Krajina territory taken in its assault launched on 22 January.

The Krajina government today voiced "readiness for a political dialogue with Croatia on an equal basis, but it openly doubts Croatia's good intentions to negotiate," the statement says.

Ties With Bosnia May Be Cut if Attacks Continue

LD1006110593 Belgrade TANJUG Domestic Service in Serbo-Croatian 0947 GMT 10 Jun 93

[Text] Belgrade, 10 Jun (TANJUG)—Croatia will be compelled to sever diplomatic ties with Bosnia-Herzegovina if Muslim units continue their aggression against the Croats, Croatian Deputy Prime Ministerr Vladimir Seks said in an interview with Croatian television.

Seks declared that the Croatian Government will reevaluate its policy toward, and treatment and status of the roughly 266,000 Muslim refugees from the former Bosnia-Herzegovina currently in Croatia.

It is inconceivable, Seks said, that, while we are taking care of their families here, their brothers, fathers or husbands are committing crimes against our people in Bosnia.

Government Statement Assails Bosnian Muslims

LD0906181693 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 9 Jun 93

[Text] We have just received a statement for the public from the government of the Republic of Croatia. The government held an extraordinary session today, chaired by Vice Premier Vladimir Seks, which reviewed the current situation in Bosnia-Herzegovina. Following the session, the government issued the following statement:

The Government of the Republic of Croatia views the latest tragic events in central Bosnia with bitterness. Several hundred Croat civilians have been killed and tens of thousands have been evicted in the past few days alone. About 20 villages have been completely emptied and destroyed. The planned offensive by the Bosnia-Herzegovina Army, supported by mojahedin, is driving out of their homes the indigenous Croat population which lived there for centuries.

The Government of the Republic of Croatia has been informed about the brutality and cruelty with which Muslim forces are massacring and killing the innocent Croat population. Their crimes are turning into a genocide against the Croat nation. Adamant in its policy, the Croatian Government is still advocating peace and political solutions reached by consent, a unitary state of Bosnia-Herzegovina, the acceptance and implementation of the Vance-Owen plan, and the implementation of the Medjugorje agreement, and it will do everything it can to calm the situation and insist on negotiations as a way out from the current crisis.

However, the Government of the Republic of Croatia has legitimate rights and an obligation—depending on the way the situation develops—to demand full protection for the Croat nation in Bosnia-Herzegovina, and to take adequate measures in accordance with international law.

The Croatian Government therefore resolutely demands that the leadership of the Bosnian Muslims, the Bosnia-Herzegovina Army, and Alija Izetbegovic should start acting in line with signed international agreements and agreements signed with the Republic of Croatia, immediately order an end to the pogrom against the Croat nation in Bosnia-Herzegovina, launch an investigation, and adequately punish all those found responsible for the crimes against the Croat nation.

The Government of the Republic of Croatia once again draws the attention of the international community to the genocide against the Croat population in Bosnia-Herzegovina, and states with regret that the UN forces have not fulfilled their obligation and have not protected the imperiled civilians. On the contrary, the ineffective attitude of the UN forces encourages the continuation of crimes, and the government of the Republic of Croatia therefore appeals to the UN Security Council, the European Community, and other international factors to urgently review the latest development of events in central Bosnia and to use effective measures to halt the violence and aggression.

Official on UN Support for Croatian Integrity

LD1006100793 Zagreb HTV Television in Serbo-Croatian 1730 GMT 9 Jun 93

[Interview with Jure Radic, head of Office of Croatian President, by unidentified correspondent; place not given—live]

[Text] [Correspondent] Mr. Radic, good evening. In this UN Security Council statement there are a number of clearly defined standpoints on the part of the Security Council. Which do you regard as the most important?

[Radic] Well, regarding the entire statement by the UN Security Council...[changes tack] I would like to stress that a Security Council presidential statement is a document that is passed unanimously. This time it was passed at the United States' suggestion. It includes several very, very, clear messages.

The first message, addressed to the Croatian state, says that the UN Security Council supports Croatia regarding the integrity of its territory. According to every resolution so far, particularly those most recent ones—and this is very clear in this presidential statement—every inch of Croatian soil is and will be an integral part of Croatian territory. It also includes a message to the rebel Serbs—that they should give up any fruitless business of contemplating some system, some authority beyond the Croatian state.

[Correspondent] Tell us, why do you think the UN Security Council has issued such a statement at this very moment. Has it got anything to do with the referendum [on the unification of Krajina and other Serb-occupied territories] announced by the Serbs?

[Radic] Well, at the moment the final decision on the future of the UNPROFOR's [UN Protection Force] mandate in Croatia is being prepared or discussed. You know very well that this mandate, defined and drawn up as it is, expires at the end of June. Some alternatives have been put forward—three on the part of Mr. Butrus-Ghali, of which Croatia finds only two acceptable. This communique, this UN Security Council statement, gives clear support to Croatia and, if I may say so, to its stands.

[Correspondent] Tell us, the UN Security Council is demanding talks. Croatia is willing to talk. Who can it talk to, since Knin and Krajina are governed by extremists?

[Radic] We want to talk with all those in Knin and any area of Croatia who are aware that Zagreb is their capital, that Croatia is their country. All our reports indicate that it is some 15-20 percent of rebels who terrorize everyone else in these areas, in Krajina. The final chapter of this resolution—this is its main feature that distinguishes it from the other resolutions so far—is a kind of preparation for this future of Krajina's as it conveys an appeal to the Croatian public and the Croatian state, Croatian authorities that they should be ready for this future by being open to all Croatian citizens, in a different way, of course, from those who have smeared their hands with blood, who have violated Croatia's law.

It is also a message to those who are planning or preparing some sort of referendum—something we regard as treason since this is a referendum on the seceding of a part of sovereign Croatian territory, which is what it is under all international legislation. This is also an instruction to those who are organizing it, to the effect that they should give it up, as well as to all those who are going to vote in it, if it takes place, that they have no future such acts.

[Correspondent] Could you please tell us the latest news from China?

[Radic] Because of all these events in Bosnia and in the Travnik area, and because of the issue of the extension of the UNPROFOR mandate, and particularly because of a European Community meeting that sent a message to the president saying they were expecting him to make an important, significant contribution to a discussion on the future situation and developments in former Yugoslavia, Republican President Franjo Tudjman has made the decision to cut short his visit to China, and he and a part of the delegation will return, while the economic delegation headed by Mr. [Franjo] Greguric will continue the visit as planned.

1,500 Travnik Croats Arrive; Serbs Imprison 750

LD1006081993 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 10 Jun 93

[Text] A group of about 1,500 Croats who fled from the Travnik area in the face of Muslim attacks arrived in Novska last night. Mainly women, children, and elderly persons entered Croatia at the UN Protection Force checkpoint on the Stara Grabovica highway. Representatives of the International Red Cross, which organised the evacuation, confirmed that the Serb Army has imprisoned 750 men aged between 15 and 60 years old in the Manjaca camp.

RSK President: 'No Bargaining With Territory'

93BA1060A Belgrade BORBA in Serbo-Croatian 20 May 93 p 4

[Interview with Goran Hadzic, president of the republic of Serbian Krajina, by BORBA correspondent B. Gulan in Novi Sad on 19 May: "Croatia Can Build the Ogulin-Zadar Rail Line"]

[Text] "The Serbian people have had enough of war, and we favor a political resolution of the problem. We indeed demonstrated this in the recent talks in Topusko between representatives of our government and the Croatian Government. We expect the first results of those talks any day and the signing of an agreement on a final cease-fire. However, we will sign that agreement only when Croatia respects Resolution 802, and that means when it withdraws from all territories occupied on 22 January of this year." This statement was made yesterday by Goran Hadzic, president of the RSK [republic of Serbian Krajina], in an interview with BORBA's reporter.

"I think that the question of peace in the Balkans will be decided when the Serbian question is resolved. I hope that is also what Croatia wants."

Speaking about the loss of almost a third of Croatian territory in the former Yugoslavia, Hadzic particularly stressed that the RSK and the people in it (about 500,000), now that it has done what it wanted by fighting, and that is to liberate its territory, can solve the other problems peacefully through negotiations with Croatia as a good neighbor.

[Gulan] You earlier said that there would be talks with Croatia only after mutual recognition. Is that in the offing?

[Hadzic] The position of our government is not to wage war anymore, but to resolve everything peacefully, at the negotiating table. As for mutual recognition, we are in favor of that, but Croatia is not.

[Gulan] How do you look on today's differing views of the SPS [Socialist Party of Serbia] and SRS [Serbian Radical Party] on solving the problem?

[Hadzic] What Seselj wants is extremely right-wing—and that leads the Serbian people into a still larger war. The only reasonable solution at this moment is a policy of peace. The time of war, after all, is behind us.

As for the Vance plan, before the war, in the former Bosnia and Herzegovina, even Dr. Radovan Karadzic was in favor of it. But today he is speaking differently, even though that plan means peace for the Serbs. We might just mention that under that plan the Serbs get 45 percent of the territory, and through negotiations they would get another 5 percent, so, they would have half.

[Gulan] Do you think that the issue might be resolved through some exchange of territories?

[Hadzic] No, not at all. There can be no bargaining with territory. No one has the right to bargain with territories that have been gained by bloodshed.

[Gulan] How much progress has been made concerning the honoring of Resolution 802?

[Hadzic] Before the Croatian aggression on 22 January, we wanted to solve the problem of Maslenica through negotiations. However, Croatia did not want that. But they will not be content so long as we cut across their territory. I emphasize again on this occasion that we want to make it possible for Croatia to link its north and south. That means that we will make it possible for them to build the Ogulin-Gospic-Zadar rail line. That is, that is a route that goes around Knin.

Prime Minister Criticizes EC for Indecisiveness

LD0206135993 Helsinki Suomen Yleisradio Network in Finnish 1300 GMT 2 Jun 93

[Text] Slovene Prime Minister Janez Drnovsek has criticized the European Community for indecisiveness in finding a solution to the Bosnian crisis. According to Drnovsek, who is visiting Helsinki, there are still measures to be used, like the monitoring of the border between Serbia and Bosnia. According to the Slovenian prime minister, the arms embargo concerning the former Yugoslavia has helped the Bosnian Serbs. The situation has led to the fact that the Serbian conquests are generally accepted, Drnovsek said. He also believes that the international Vance-Owen peace plan is dead.

[Begin drnovsek recording in English] I do not see now much chances for the implementation of this plan. Perhaps there will be some revival of the plan, or perhaps some modification of the plan, but at the moment it seems more dead than alive. [end recording]

EC To Grant 20 Million German Marks

93BA1052A Ljubljana DELO in Slovene 20 May 93 p 1

[Article by Toma Svagelj: "Slovenia Will Receive 20 Million Marks"]

[Text] *The EC has already concluded a second agreement with us on the PHARE program [Economic Reconstruction Aid for Poland and Hungary]; it is very satisfied with the first one.*

Ljubljana, 19 May—As part of the second so-called PHARE indicative program, our country will receive considerable nonrepayable funds for this year from the EC. It is the only one of the former socialist countries that has the status of a "recipient of this kind of aid," as was stated at today's press conference in government offices.

It started soon after the signing of the agreement, or "cooperation program," between the EC and Slovenia. At the meeting with journalists, our side was represented by a group from the Ministry of Science and Technology headed by Minister Rade Bohinc, and the EC was represented by the PHARE program's director of operational service, Alan Mayhew, and the first EC ambassador to Slovenia, Marc Janssen. The agreement states that the EC will give Slovenia 10 million ECU (20 million marks) in assistance. Four-fifths of it will be used for economic restructuring and privatization, almost a third of that for restructuring the public sector, a fourth for implementing the Tempus program, and about 5 percent for various other expenditures. If we also add to this the additional funds for Tempus, however, and then part of the money from the EC regional fund that also includes the share designated for the former SFRY, etc., the planned amount is increased to 15 million ECU. The PHARE program supports economic reforms in European countries that are trying to change their socialist, centrally planned economies to market economies. That framework also includes Tempus, which is intended especially for academic institutions.

In response to a question about industrial secrecy, Mayhew answered that foreign advisers were obligated to respect it, and that which information would be entrusted to foreigners would more or less depend upon the directors of our enterprises and that (qualified) Slovene consulting organizations could also work in all of the EC member countries.

Sirse on Intelligence Service Reorganization

93BA1069F Ljubljana DELO in Slovene 22 May 93 p 24

[Interview with VIS director Janez Sirse by Zarko Hojnik; place and date not given: "What Kind of Bird Will Fly Up From the 'Island'?"]

[Text] The "old" Security-Information Service [VIS] is to be transformed, and a new Slovene Intelligence-Security Service [SOVA] is to emerge. We talked about this with VIS director M.A. Janez Sirse, who at the same time also explained his role in the HIT scandal. Computer operators at VIS are to get the data that someone erased before the change in the leadership of that service....

[Hojnik] The VIS is to be renamed the SOVA. Who is the "father" of that service's new concept?

[Sirse] The concept of the new SOVA arose in a group of experts within the VIS, whom I brought in to prepare a program of strategic guidelines for our service's work on the basis of previous analyses of the threats to Slovenia. It is a group of professionally qualified people with considerable international experience and comparable knowledge in this area. In addition to the program, we also prepared the necessary legislation so that this service can work within the framework of our civil society, which we are establishing on a democratic basis. Furthermore, we also prepared an organizational structure which should take care of goal-related guidelines and which will be incorporated in new legal documents. That is necessary for control of our service, so that it will remain within the framework of democracy and so that abuses will not occur. On the other hand, these are legal documents that give this service's employees legal security and at the same time prescribe how far their authority extends. On the basis of that program, the laws, and the reorganization, we though that it was appropriate to change the name as well.

[Hojnik] What reasons led you to plan the new concept?

[Sirse] The first reason is that with the new law on the government, the VIS became an independent government service, separate from the Ministry of Internal Affairs. On the other hand, there is a substantive reason that indicates the need to restructure this service's working areas and its groups of goals, since work has to be focused against the interests of foreign services and

foreign countries, it is necessary to refocus on economic areas, and it is also necessary to put more emphasis on various analytic methods. In regard to the planning of the new concept, I should also mention a fundamental legislative reason, since so far there was virtually no law on this service, and the same thing applies to documents derived from law that would regulate the service's work. Of course, up until now the law on internal affairs and the amendments from 1991, in which there are several articles that also mention the VIS, have been used.

[Hojnik] To what extent did you take international experiences into account?

[Sirse] We took various international experiences into account, since on one hand new trends in the work of intelligence services lead us to priority activities in the economic area, for instance, and to new working methods. That is the trend in the major intelligence services in America, Europe, and also in Russia, but we did not take it into account because those services are doing it, but rather because we have to become efficient and protect ourselves against the interests of the great powers. On the other hand, precisely because of our small size we tried to avoid fragmenting ourselves and having many small services. In the draft resolution on national security, we also talk about an umbrella intelligence organization. I think that that umbrella organization is our SOVA.

[Hojnik] How much did the VIS scandal encourage changing the former concept?

[Sirse] I think that the work of the three-member government commission that has been conducting a sort of inventory of this service's work for the past two or three years also helped substantially in our accelerating the transformation of our service. We determined that because of the lack of appropriate legislation there were a lot of violations of various rules in this service, both rules of professional work and also certain social norms of behavior.

[Hojnik] Why is that service to remain under the government and not under the auspices of parliament, as the former interior minister is proposing?

[Sirse] According to the new constitution and the structure of Slovene legislation, the executive and judicial authorities, we of course know that the executive authority is concentrated in the government. The government is also the body that can provide operationally for the achievement of individual strategic and also current operational goals: the autonomy of Slovenia, independence and economic efficiency, political equality—in that context the security service is one of the mechanisms for ensuring all these elements, and for contributing through reports and analyses to more effective work by the government and its agencies in adopting their decisions. I think that the government is the one that has to have such a service if it wants to work successfully itself as a whole and in its individual agencies.

[Hojnik] Did a "total vacuum" prevail in your service until now?

[Sirse] Of course there was not a total vacuum, since a system of rules of conduct, adopted in the past on the basis of federal, Yugoslav laws, secret official gazettes, and secret rules for the operation of this service, was in effect in the service. People were even working in this service before 1990, some of them longer, some of them less time, although they are much younger than me, but nevertheless during that time they learned various working means and methods and respect for certain rules that they adhered to. With the transition to another system, however, there was a lack of new rules of conduct, a new framework, which we urgently need in the work of such services.

[Hojnik] What is the structure of employees supposed to be like, and what sort of personnel continuity is there in your service?

[Sirse] During this period, the service has experienced several major and minor upheavals. One of them, of course, is the transition to a multiparty system. Then there was the short war in Slovenia, there were elections again, a new government, and of course in the meantime there was a period of purging the service. The old people left, some new ones came, and mostly we have younger personnel. They are highly educated people with various sociological, political science, economic, and legal backgrounds. We also have other experts whom we urgently need in our work, for example, in computer science, telecommunications, but the focus of our work remains with experts in the sociological area, analysts, who are to bear the main brunt of this service's transformation.

[Hojnik] The former interior minister and the former head of the VIS have said that they replaced several hundred people, and at the same time they also claim that old, negative personnel were left in that service. What will you do in that regard? Will you also purge the service's personnel?

[Sirse] I think that the former interior minister and the VIS director were in those services for some time, more than two years, and that they had many possibilities to carry out personnel transformations, which would also have satisfied the moral principles that they are talking about now. I think that this service was also very successful in the recent past; let us recall the June war, for example, when VIS employees deciphered many messages about the intentions of the former JLA [Yugoslav People's Army] and thus prevented numerous worse forms of aggression against our state. I am convinced that this service made its own contribution to independence, and also had a sort of baptism in the new democracy. Now the service will not experience any sort of differentiation in the sense of who is right and who is not from the standpoint of moral and political qualities, which were characteristic of the system in the 1960's and later. With the reorganization, some people will be administratively retired—I already promised some

people that when I took over the service—but mostly there will be room for everyone who wants to work and strive for the newly defined goals.

[Hojnik] Then there will be purges anyway?

[Sirse] With the planned reorganization, the service has already prepared new personnel assignments, based on the new organization, professionalism, and my confidence in these people and theirs in me. We cannot speak of any sort of personnel purges.

[Hojnik] What safeguards are to prevent the SOVA from being uncontrolled, omnipotent, dangerous?

[Sirse] Every society is afraid that a power center that possesses a great deal of information could become independent and use that information for specific interests. In our service, the first condition is professional work and complete depoliticization. In the regulations on internal protection and internal security, we also talk about completely nonpartisan work and the exclusion of any sort of party activity, on one hand, and on the other hand, about various elements of the violation of work discipline, working methods, and procedures that would lead to the leakage of information and compromise employees and their colleagues. I think that this is one of the keys to slowly introducing a service that will act in the interest of the government and state programs. There are also regulations here about the method of documenting, gathering, and storing information in known, agreed-upon, and professionally determined ways. We also have developed rules on who is a source, who is a collaborator, and what the protection of a collaborator means. The law is what will provide a basis for controlling this service, and there are also two control mechanisms; on one hand there is the government commission of three ministers, and on the other hand, the parliamentary commission. The commissions have different working areas, different in the sense that the government commission is also a directive one from a substantive standpoint, whereas the parliamentary commission is primarily oriented toward monitoring the legality of the work and identifying various deviations from the legality of that service's work.

[Hojnik] You mentioned this service's non-party membership. How is that compatible with your membership in the LDS [Liberal Democratic Party]?

[Sirse] In a certain sense we have to reconcile ourselves to the fact that we are becoming a multiparty state, where people in leading positions in the state administration can also be members of individual parties, since ministries and other state agencies are also divided up according to that criterion; some people, of course, are closer to one party or another, and the parties accept them as their own. It has already been stated and emphasized that I am not a member of the LDS; it is known that I was a candidate on their slate, and it is also known that Prime Minister Janez Drnovsek and I have already followed a common political path for some time now; that, of course, means that if there is any change in the government or the coalition and the LDS loses its position, I will also very probably lose this position, but that is self-evident. I am striving for a different goal: everyone equal under the direction, from the deputy on; they are equal where professionalism prevails, which distinguishes them and guarantees them a place and work in this service. Professionalism also ensures continuity for the service.

[Hojnik] How do you view the latest events in connection with the scandals regarding your service?

[Sirse] That kind of stirring up various stories in public does not have any positive influence at all on the service's work. That is shown primarily in the field, among operatives, who are often the targets of libel. At the same time, the service is losing its reputation and prestige, since in the past it was considered a service where the rule of professionalism, secrecy, and expertise was not in effect. If the political goals were different, that is another matter, of course, but the services were not discussed, whereas at this time the service is being stripped bare; in many cases it is also a question of individuals deliberately wanting to harm the service and destroy it. There is no other way to interpret various statements that our service should be disbanded and abolished. It is also hard for me to explain differently the various statements that a list of former collaborators or even present ones should be published, since these are things that are not "done" and leave deep wounds on a service like ours—not to mention the broader social consequences of this.

[Hojnik] What is the cooperation with the parliamentary commission like?

[Sirse] The parliamentary commission was formed relatively late, even though its chairman, Dr. France Bucar, was already appointed a day or two after my appointment. It only met for the first time two months later, and that was a period when we also needed closer cooperation: we would have communicated, and established a certain working method, since this commission not only monitors the legality of the VIS's work, but also the other intelligence services in Slovenia, and that is why we also should have discussed substantive things. The commission actually started to deal with the case of the HIT and VIS scandal, and is only dealing with whether Dr. Miha Brejc was authorized to keep documentation in view of the variously expressed suspicions or not. I think that it is a question that does not deserve so much public debate, since it is prescribed by law where the documentation belongs. It is VIS documentation that is owned by the state and not by individuals. The numerous discussions of this, regardless of the possible suspicions of corruption or political involvement in the scandal, cannot distract attention from the procedures that are something quite ordinary in normal democratic states. When someone leaves a specific service, he turns over to his successor documentation of one kind or another, and if he has any misgivings, he could submit the disputed

documentation to Bucar's commission or the state president, and point out the possible consequences. At any rate, the documentation should stay at the VIS.

[Hojnik] How did you assume your position when you were appointed the new VIS director?

[Sirse] In most cases it is customary in these services for the transfer of authority to be made at a specific moment, so that it is no longer possible to conduct any activities. I was convinced that only personal effects were in the former director's office. Whatever is state property is subject to normal documentation, archiving, analytical processing, and in that case it is stored in the appropriate places. With things in which the state is interested (including HIT, which was defined as being a very important task from the standpoint of protecting state interests), I would expect a group of people to be involved as well, who would work on the contents, analytically, by seeking various evidence, precisely in order to confirm hypotheses. In the end, however, we determined that that was not the case and that we did not have that documentation, and that virtually no one had been including in monitoring and analyzing these issues except for Brejc's closest personal adviser, Hinko Lucovnik, and that no report had been prepared on it for the state president, the prime minister, or the president of the State Assembly. And that is strange, since not informing people in the state about the number one economic, political, and international mafia problem is really unusual.

[Hojnik] Then when did the HIT archive disappear?

[Sirse] Essentially, a month before the government was formed. As it turned out, Brejc's position was already unstable then, or unclear, and consequently I am convinced that at that time there could have been various misappropriations and the removal of documents. I think that during that time from Saturday to Sunday not many papers could have been taken away. What was taken away was before Brejc's dismissal and my appointment, and he had relatively a lot of time for it.

[Hojnik] What do your archives actually contain, and what was actually destroyed before your arrival (from both the SDV [State Security Service] and VIS archives)?

[Sirse] The review of our archives is still under way. We are finding that with every change in the head of that service there was a so-called filtering of dossiers, archives, and documentation. From one period to the next, the folders were thinner. That is why we are now also finding that some things are missing, for one reason or another. The Kozinc commission report has so far only warned about several things or documents that are missing.

[Hojnik] It was publicly announced that the Ministry of Internal Affairs is forming its own VIS. What do you know about it?

[Sirse] The Ministry of Internal Affairs has a police detective service and a service for security and protection, which need numerous data in their work and also several working methods that are used by our service. In order for their services to be more effective, they naturally want to establish a stronger infrastructure and obtain personnel. These are not services that would try to be similar to us, but in a certain sense these services are strengthening themselves, and in doing so, perhaps they are becoming more intimidating to the public and giving rise to various doubts and various fears.

[Hojnik] Who controls the use of special methods and means in the Interior Ministry's police detective administration, which is completely the same as in the VIS?

[Sirse] You should certainly address that question to the interior minister. But since they also operate under the same legislation, they have to receive permission from a basic court to use special methods and means. It is true that the police detectives do not have the kind of monitoring that we receive from the parliamentary commission and the Kozinc commission.

[Hojnik] What do you know about the special fund at the VIS? How large is it, and who decides on and controls the use of the funds?

[Sirse] The special fund is intended for financing various activities and assignments. The funds come from the budget, and also from various special revenues that our service receives for services performed. We use the funds in the special fund for various operations, and also for the purchase of equipment that our service needs in order not to lag behind similar services in the world.

[Hojnik] What about cooperation between SOVA and VOMO [Military Security-Information Service]?

[Sirse] Currently in Slovenia there are several names in the intelligence area; there are the VIS, the Defense Ministry's security body, the Interior Ministry's intelligence requirements, and the Foreign Ministry is also developing an analytical service. It seems normal for cooperation, which will yield results that the state and government will benefit from, to develop among these services. Cooperation is provided for in our SOVA concept, and it is also emphasized that such cooperation should be strengthened, since our new SOVA in a certain sense would be an umbrella organization, not in a formal organizational sense, but rather in a substantive one, since through this organization the National Security Council should be informed about both the security and political situation, and also foreign services' activity on our state's territory.

[Hojnik] Deputy Prime Minister Lojze Peterle thinks that he has been bugged. By which of the three services, i.e., VOMO, the police detectives, or the VIS, or all at once?

[Sirse] I have already answered the deputy prime minister that our service is not bugging him, either at the

party headquarters or within the Foreign Ministry. Perhaps in a certain sense it is a reflection of the situation here when it is said a lot that people are bugging each other. That is also made possible by shortcomings in the legal area, since there are several private detective agencies in Slovenia that have been able to buy modern bugging devices abroad and can install them without any sort of supervision in apartments or elsewhere on orders from their customers. I think that as soon as possible, the state should pass a law on the security integrity of individuals and individual political groups or parties, in order to avoid such problems and suspicions.

[Hojnik] Perhaps the deputy vice president had in mind the wiretapping of the Slovene Christian Democrats during the campaign period.

[Sirse] It is characteristic of the campaign period that everyone tries to discover as much information as possible about the opponent's campaign strategy and desired goals. That is why the case of the attempted eavesdropping on the LDS and its activities is considerably better known. The application to wiretap the telephone at that party's headquarters was rejected by the president of the Ljubljana basic court, and he thus prevented subsequent unforeseeable consequences. It is hard to justify an attempt to wiretap a specific party, even if the arguments are like those in the case of the LDS. In this case I would have expected the former leadership or the former director of the VIS to warn the party's president that the party's hospitality was being abused by a person who was supposed to have been involved in activities that did not benefit either the state or the party, and everything would have been quickly cleared up. That case casts a shadow on those who tried to do the wiretapping....

[Hojnik] You have not answered my question about the wiretapping of the SKD.

[Sirse] Formally, there was no decision on wiretapping that party's headquarters or any of its leaders.

[Hojnik] Then was Peterle's party wiretapped or not?

[Sirse] I repeat that there was no decision of any kind on wiretapping.

[Hojnik] If that is true, what is meant by Bavcar's statement about abolishing the VIS?

[Sirse] I would assume that Bavcar may already have planned somewhere some other "non-UDBA" service that will not be a coalition one, and its head will not be appointed by the ruling coalition, but instead it will be a service with some sort of different levers and criteria. Of course, a question arises as to where it will get its personnel, resources, working methods, and of course the corresponding documentation that is absolutely necessary in such work, and where it will get the various archives from which it could obtain the information that our people have already collected.

[Hojnik] HIT's director said in public that in the HIT and VIS dossiers, 80 percent of the information was from important people's private and intimate lives. What do you know about that?

[Sirse] Some information indicates that the numerous recordings from telephone wiretaps also include episodes from the business and private lives of people who naturally do not have anything to do with the problem of privatization, money laundering, or the presence of foreign intelligence services, because of which the monitoring of telephones was introduced. In practice that is an abuse of these resources for purposes because of which the sanctity of an individual, from the standpoint of his personal integrity, was violated.

[Hojnik] Various accusations are being made against you, including involvement in the HIT scandal. You are being criticized for owning a firm in Benetke?

[Sirse] Those stories sometimes really go beyond fantasy. Their planners do not have any real basis for thinking that. In more than 2,000 pages of various documentation there are three pages that mention my contacts with HIT or are even conversations among third parties who are talking about how a certain order should be carried out for the planned promotion of their firm that was offered by the Vista firm. The promotion offer, which was to have been worth about 5 million lire, was not carried out and was left at just an offer. The Vista offer was made by its co-founder; I am not involved in any way with that offer or that firm's work. Those hints can lead to various big ideas, such as the one that I had a firm abroad or even my own account. I do not have any enterprise abroad, nor any private account in a foreign bank, because I have never had enough money to be worth keeping in accounts abroad.

[Hojnik] But you are only the co-owner of the Vista firm?

[Sirse] I am a co-founder of the enterprise Studio Vista, headquartered in Ljubljana, and I am the founder of the Nimb enterprise. That firm has not even done any business, and did not have any turnover at all, while in Studio Vista the co-founder has been active, since she is a "free-lancer" and works through that firm. I have not done anything personally through Studio Vista; I have not been involved in either the profits or any sort of business activity by that firm.

[Hojnik] Is the government thinking about freezing your status until your innocence or guilt is determined?

[Sirse] At a certain time, when the accusations were really bad, a freeze or some other form could have helped to resolve the situation, but if we cite the law-governed state, as long as a suspicion of someone has not been proven we cannot accuse anyone. These kinds of accusations, on which decisions were made on the basis of the discussions in Bavcar's committee, are only a suspicion of specific possible crimes that I have already denied, and I am also interested in having the proper authorities clear this up as soon as possible. The Public Auditing

Service is conducting a financial audit at all the organizations where I am a founder or co-founder, in order to prove that HIT has never sent me any amount whatsoever through any firm, either in Slovenia or abroad. I think that it is the only way to defend myself from these suspicions and at the same time to avoid numerous criticisms that the government or individuals in it want to sweep the problems under the rug.

[Hojnik] Doesn't it seem more sensible to you to propose something like that yourself, if things are different?

[Sirse] I have already partly answered. On the basis of the suspicions and even accusations that came from the former head of the VIS, I denied to the government any sort of involvement in that bribery and any business relationship with HIT; at the same meeting of the government, I also proposed that the financial commission conduct a review of operations, and I am awaiting the results.

[Hojnik] Are you familiar with the contents of the documents that Brejc turned over to the parliamentary commission?

[Sirse] I am not familiar with the contents of all the documentation, since there are various materials, from the primary results and telephone conversations to the reports and analyses that were prepared. Immediately after we discovered that the documentation was missing, we undertook to reconstruct the whole problem, and on the basis of numerous conversations I realized the content of the HIT background, entangled with privatization, possible economic crime, and the possibility of international crime, money laundering, mafia encroachment, and the possible presence of foreign services. That is the core of the HIT problem that we are talking so much about.

[Hojnik] Did Bavcar and Brejc work together and hide documents, or did your predecessor act independently?

[Sirse] Since until recently VIS was part of the Interior Ministry, which was headed by Bavcar, I think that in the final phase the minister decided on everything.

[Hojnik] What did you know about VIS? Where did you get your knowledge of this service?

[Sirse] At the time of the replacement, you announced in your newspaper that I had for several months I had been studying and was familiar with the mysteries of VIS's work. That is not true, because I was not familiar with this service or similar ones in the world, and thus I was also not involved in any "preparations." I came to VIS and started to read various documents and books and talk with numerous people who are familiar with the work of this kind of service. That was the best way for me to become specifically familiar with the Slovene VIS.

[Hojnik] Have you learned enough about the VIS in three months?

[Sirse] I think that the three-month period is the time when I have already obtained enough information and formed an idea of this service and its people, since otherwise, I would not be able to stand so firmly behind the program guidelines, the reorganization, and also the personnel reassignments. Of course, that does not mean that I am absolutely familiar with the service and its numerous operations in the past, which of course also have implications for its present and future work.

[Hojnik] They say that the VIS is currently crippled?

[Sirse] The VIS is not crippled, since during this period we have conducted numerous conversations in the field with our people, confirmed the program, spread the new program guidelines among the employees, analyzed working means and methods, and analyzed those areas of the work where additional reinforcement is needed, so that in practice we cannot speak of paralysis; instead, we expect the government to confirm the new program and organization and the legislation, since the employees are convinced that this will provide a basis for our service's effective operation in the future.

[Hojnik] How is the reconstruction of the HIT case going, which the government assigned you in its resolution?

[Sirse] When we determined that the documentation was missing, we undertook the reconstruction. Through various conversations and methods, we tried to gather written documentation, and on the basis of the knowledge and familiarity of the people who deal with gambling, we tried to discover the problems that the service would have to deal with. We also undertook the reconstruction thoroughly on the technical side. Our work recently has been based on the reconstruction of computer disks. Although VIS employees had the task of destroying documentation on a continuing basis and erasing computer memory, in so-called compressed computer memory we discovered information that we are "reviving" through the reconstruction; this will also include documents that we will use for further work and that will help the government to reconstruct the entire affair. We will gather the documentation on the entire HIT case in the next few days. I am convinced that this documentation should also be of interest to the State Assembly and the commissions that are dealing with the HIT case.

[Hojnik] What about the lists of collaborators, collaborator networks, and agents, and what is your opinion on publishing the names of former SDV collaborators?

[Sirse] Recently there have been several initiatives for the publication of those lists, and for the exposure of people's names. Publication would cause a certain unrest among people, especially those affected, and could also cause other things. Reconciliation among the living is one of the elements that we have to face at this time, and at the same time I am convinced that the network of former SDV collaborators is no longer current in the sense that it could be presented in public. In any case, the

people who were collaborators of the former UDBA or SDV have to clear up that moral issue on their own, and also make a choice with respect to their possible active political and other public functions in the new state. Any sort of publication of these names would do our state more harm than good, and at the same time I am not convinced that the lists are complete; people are talking about misappropriation and purging, and missing data. Going before the public with such purged data, and affecting some people while others can hide, is actually of no use.

[Hojnik] Do you trust Brejc, or his integrity?

[Sirse] At this time, when I am VIS director, Brejc has said so much about the service, collaborators, myself, and politicians that he must actually have the feeling that he knows us all very well. I met him for the first time on 22 February 1993, when I took over the position of VIS director, and from that standpoint I would not venture to evaluate him, much less be able to state whether he is worthy of trust or not, since I do not know the man and I am also convinced myself that Brejc cannot know me, unless he studied me through various methods and arrived at some information on that basis. And if he also used such "analytic" devices to gather assessments of others as well, then that shows....

Jansa Elected New President of SDSS

93BA1046A Ljubljana DELO in Slovene 17 May 93 p 3

[Article by Matjaz Erznoznik: "Merger With the Socialists Will Be the Party's Priority Task"]

[Text] *The SDSS [Social Democratic Party of Slovenia] will effectively protect "its own" political space; the participation in Drnovsek's first government labeled a mistake and a failure; the party's influence also minimal in the new government; convincing electoral victory by Jansa.*

Ljubljana, 16 May—At the SDSS's third congress in Litostroj, Janez Jansa was elected the party's new president. He received the support of 198 of the 216 delegates present. Only 12 delegates voted for his rival candidate, Andrej Ocvirk, and six ballots were invalid.

In the congress's opening speech, Dr. Joze Pucnik critically assessed the party's work to date. He labeled as a failure the SDSS's participation in Drnovsek's first government, since the Social Democrats' good representation in it did not result in a favorable response from the public at the time of the elections. Last December the SDSS thus suffered a bad defeat in the elections, also because of the fact that Drnovsek took advantage of his term for the campaign promotion of his own party, Pucnik thought. Pucnik also was not satisfied with the SDSS's participation in the new government, since the party's influence is minimal. He pointed out that there was almost no consultation within the coalition on political decisions. He consequently proposed consideration of alternative forms for the SDSS's activity.

In the future, there will probably be a change in the electoral system that will favor the larger parties more, Pucnik thought. The SDSS must therefore encourage the process of organizational reinforcement through initiatives for alliances with related organizations. It will also be necessary to develop substantive aspects and formulate a clear vision for the party, Pucnik thought.

Janez Jansa thought that in the future the Social Democrats had to pay more attention to privatization as the basic issue of social influence, and at the same time, a guarantee that the party would not slip to the edge of political decision-making. Forced privatization could cause the people economic harm with far-reaching consequences, Dr. Janko Prunk thought. France Tomsic advocated intensified cooperation between the party and trade unions. Bozidar Bruhar said that it would be difficult to carry out the party's program, because of the lack of a critical mass in the party. Helmut Kindlhofer linked successful work by the party with a more extensive exchange of information between the party's Ljubljana headquarters and the municipal committees.

Dr. Joze Pucnik provided the initial ideas in a discussion about a merger with the Socialists. He thought that the reason for the cancellation of the wedding was that both sides were not flexible enough. He emphasized that merging with related parties was one of the instruments for reinforcing the party organization, and currently only an alliance with the Socialists was operationally feasible. It should consequently remain a priority task for the party. He proposed establishing a committee to try to coordinate unresolved issues with the Socialists. Some participants in the discussion then agreed with Pucnik, and supported continuing or resuming merger-related contacts. They also listed several additional reasons in favor of an alliance, including the upcoming local elections. Related parties should act as a single camp, since separation means too large a loss of votes for social democracy, as also demonstrated in the last elections. The opponents of a merger, however, emphasizes that ties with the Socialists would blacken the SDSS's public image rather than increase its electoral possibilities. A question could be heard as to why the Socialist Alliance of Working People had not offered a hand to the Social Democrats already when Tomsic's idea of forming the party was being fulfilled. Tomsic himself then tried to calm the discussion with the observation that politics is primarily trading. A merger of the SDSS and the SSS [Socialist Party of Slovenia] would be much less of a sin than the Christian Democrats' when the joined the coalition with the LDS [Liberal Democratic Party], he added. The delegates then supported Janez Jansa's opinion that the congress should give the party's presidency a mandate for continuing talks with the Socialists, but without a firm and binding framework with respect to the numerical representation of SDSS and SSS members in the new party's bodies.

[Box, p 3]

Igor Bavcar (Democrats), Viktor Zakelj (SSS), Peter Jamnikar (ZESS [expansion not given]), Jasa L. Zlobec (LDS), Dusan Kumer (United List), Metka Karner Lukac (Slovene People's Party), and Lojze Peterle (LDS) attended the congress as guests. From abroad, the congress was also visited by Conny Friedricsson, the secretary for international relations of the Swedish Social Democratic Party, and Dr. Antun Vujic, president of the Croatian Social Democrats.

Kucan Urges Establishment of NSC

93BA1015D Ljubljana DELO in Slovene 7 May 93 p 16

[Article by D.I.: "Kucan: 'We Need a National Security Council'"]

[Text] Ljubljana, 6 May—At today's meeting of the State Assembly's committee on international relations, which began with Milan Kucan's report on his recent visit to Washington, where he attended the opening of the museum dedicated to the victims of the Holocaust, the president also spoke about Slovenia's attitude toward the latest complications in the Balkans.

He emphasized that our state had to act not only in accordance with its own interests, but also in accordance with the strategy of the UN and the CSCE [Conference on Security and Cooperation in Europe], and added that Slovenia would be an integral part of international action to halt the war, but one could hardly speak of an anti-Serbian coalition. He pointed out that a different policy was needed to resolve the Serbian national question, and that there could be no compromises with the Serbian policy. With respect to the Vance-Owen plan, he thought that it did pursue the right goals, but that its realism was rather questionable. Kucan especially emphasized the need to establish a national security council [NSC], since there is no coordination of such issues at the state level. It is necessary to decide whether it will operate under the government or parliament, but the fact is that Slovenia has to have the kind of body that well-regulated states have.

At today's meeting, the committee's members devoted most attention to relations with Croatia and especially the border with it; a sharp debate developed on this, in which Peter Tos also participated. There were also some harsh criticisms of the work of the entire Foreign Ministry, which was not keeping parliamentarians sufficiently informed of its plans, in spite of their warnings on several occasions.

Slovene Firms Doing Business in Russia

93BA1015F Ljubljana DELO in Slovene 10 May 93 p 5

[Article by Darijan Kosir: "Beginning of Slovene Penetration of the Russian Market"]

[Text] At the end of this week in Moscow, State Secretary Vojka Ravbar signed an agreement on opening economic representations in both countries.

From our correspondent.

Moscow, 9 May—At the end of this week in Moscow, Vojka Ravbar, state secretary in the Slovene Ministry of Economic Relations, signed an agreement on opening Slovene and Russian trade representations in both countries, as an extension of the cooperation agreement signed this February in Ljubljana. Furthermore, Ravbar attended the opening of a new Iskra telephone switchboard in Tyumen, which perhaps marks the beginning of Slovene enterprises' "decentralized" cooperation with state assistance with Russian regions, provinces, and republics outside of Moscow.

The opening of trade representations is especially important to the Russian side, since Russia does not have any separate representations for Russian enterprises in Ljubljana. Furthermore, Ravbar agreed in Moscow on a meeting of a joint economic commission, which is to meet for the first time in mid-June and whose basic task is to be resolving the issue of Russia's debt to Slovenia from the past; that debt, in fact, is over $100 million. Ravbar's visit, however, does not just mean the consolidation of intergovernmental agreements between Slovenia and Russia; it is even more a matter of beginning (or continuing) Slovenia's penetration of the Russian regions that are gaining economic independence from Moscow and with which most Slovene transactions with Russia will take place in the future. The state's role here is simple: it will help enterprises to establish contacts, but the completion of transactions will then be left to the enterprises themselves. The Tyumen region where Ravbar visited is the third large area in the Russian Federation that Slovenia is now penetrating (after the Yakutiya-Shakha republic and the Krasnoyarsk province).

A feature of that cooperation is the opening of the Iskra telephone switchboard in Tyumen, a deal worth $7 million, according to Iskra-Tel director Andrej Polenc. Furthermore, it is not just a matter of the sale of the switchboard per se, but also of Iskra's mutual cooperation with Tyumen enterprises, through which Iskra also trained Russian experts and built cooperation on a mutual basis, for which it was paid in convertible cash. A special feature of Iskra's penetration of the Russian interior is technology transfer, through which a factory will be opened in June in Ekaterinburg for manufacturing and assembling Iskra's SI 2000 switchboards; this is one of the first Slovene long-term projects on Russian soil.

On Monday there will be one more important event for Slovene exports in the Tyumen region, when the director of Celje's Kovinotehna, Ales Ilc, will sign a contract for the construction of a hospital (it will be built by Novo Mesto's Pionir). The deal is worth $45 million, and it is already one of the major projects in the Russian Federation in general. Staying in the Russian market with new forms of cooperation is a matter of survival for some enterprises. In fact, of the 105 million marks in turnover planned for 1993, Iskra-Tel will earn a third on the territory of the former Soviet Union.

[Box, p 5]

Last year, Slovene exports to the states of the Commonwealth of Independent States reached $313 million and imports $287 million, of which only 40 percent was from so-called state transactions. The trend in the first months of this year indicates that exports will reach about $18 million a month, which means a reduction of almost a third compared to last year.

Federal

Owen Comments on Talks With Milosevic

LD1006101093 Belgrade TANJUG Domestic Service in Serbo-Croatian 0832 GMT 10 Jun 93

[Text] Belgrade, 10 Jun (TANJUG)—We discussed the possibility of deploying observers along the border between the Federal Republic of Yugoslavia and Bosnia, as well as water supplies to Srebrenica in our talk with Serbian President Slobodan Milosevic, Lord Owen, cochairman of the Conference on the Former Yugoslavia said prior to his departure for Podgorica and Tirana.

Stressing that the talks with Milosevic will be continued, Lord Owen said that the international community has not altered its stand regarding the creation of "safe havens," and added that official decisions by certain countries on their contributions to the realisation of this idea are expected.

Asked by newsmen whether talks between the leaders of the three belligerent sides in Bosnia could be expected in the near future, Owen replied that he does not believe that the readiness for talks exists, bearing in mind the fighting that is hindering negotiations, especially the latest clashes in Travnik.

President Milosevic assured us that he is investing efforts to convince the Bosnian Serbs into accepting the UN peace plan for Bosnia, Owen said.

We raised the question—initiated by Greek Prime Minister Konstandinos Mitsotakis and French President Francois Mitterrand—of Vuk Draskovic, but "did not find a way to alleviate the concern of the world community," Owen added.

During their visit to Belgrade, besides meeting Slobodan Milosevic, cochairmen Lord Owen and Thorvald Stoltenberg met yesterday with representatives of Serbian opposition parties.

Serbia

Democratic Party Leader on Political Struggle

LD0906185193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1302 GMT 9 Jun 93

[Text] Belgrade, 9 June (TANJUG)—Vojislav Kostunica, chairman of the Democratic Party of Serbia, said today that a call to ban the Serbian Renewal Movement is a big step toward abolishing the multiparty system.

Kostunica told a news conference that if this attempt were to fail, the authorities would then try to instill fear into the Serbian public and would try to avert the attention of the Serbian public from the responsibility of the current regime for the past and present policies.

"If the party in power thinks it will avoid a parliamentary debate on confidence in the government by staging political trials and by banning parties, then it is deceiving itself. We are well prepared for that debate," the party leader said.

Asked to comment on the St. Vitius [opposition] rally, Kostunica stressed that the Democratic Party shares the views of other Serbian Democratic Movement [DEPOS] members, that is, that the issue has become "irrelevant" and "overtaken by events."

Kostunica said that Vuk Draskovic urged that violence not be met with violence, explaining that there are other methods of political struggle.

Kostunica noted that DEPOS will now concentrate on "unmasking" the authorities and their policies, saying that this method of action is well received abroad and in the country.

He stressed that various parties can conduct their own inquiries and make their own contribution to this goal.

Economic Crisis, Threat of Civil War Examined

93BA1075B Belgrade BORBA in Serbo-Croatian 18 May 93 p 12

[Interview with Kragujevac law professor Dr. Predrag Stojanovic by Zoran Radovanovic; place and date not given: "Dr. Predrag Stojanovic on Agony of Serbian Economy: We Have Not Stooped—We Are Crawling"]

[Text] *This government—the Serbian one, since the federal one in effect does not even exist, because it has no state to govern—can continue to print money for a certain period of time and draw up balance sheets of food and energy for a few months, which would then be the definitive death sentence of the Serbian economy. Slobodan Milosevic knows all of this very well, and for that reason he dares not sit and wait for autumn with his arms crossed. In the end, he will have to bring in genuinely expert people who will first have to offer the people the complete truth about the situation in which they find themselves, and then begin to pull us out of our agony. There are no longer any delusions. We have not stooped—we are crawling.*

This was emphasized in an interview with BORBA by Prof. Dr. Predrag Stojanovic, an instructor in financial law at the Kragujevac School of Law whom academics consider one of the most recognized authorities on finance and money circulation in our country.

Putting Out Fire with Gasoline

[Radovanovic] What basic precondition should precede "bringing in the right people to the right positions"?

[Stojanovic] A political accord between all relevant political elements and forces in Serbia. That is the basic condition for the formation of a government with concentrated expertise. Only that sort of government can enjoy international credibility for negotiations abroad. Slobodan Milosevic would have to publicly transfer part

of his authorities to that government if he wanted to stay in power. Its first task would be to ease the sanctions based on UN Resolution 820. That means that it would first have to secure petroleum, raw materials for heavy industry, and cheap wheat so that the people can survive the coming winter. After that, it would have to incur at least $5 billion in foreign debt, and later that much again. Without this $10 billion, the devastated Serbian economy cannot be saved. However, it is essential that a restrictive monetary policy be pursued based on the "shock therapy" system, which is most likely the only thing that can even help the clinically dead Serbian economy. This brings with it a sobering up of the people, through a painstaking and protracted process of recovery, in which people must ultimately realize that they have to work to live.

[Radovanovic] More than two months ago, you predicted major social upheaval in Serbia at the end of April. This did not happen, however.

[Stojanovic] Looking at it realistically, we have long since crossed the threshold when major social unrest occurs in countries with high inflation. Here that has been avoided by continually printing money and through the distribution of goods by the state. However, that is putting out the fire with gasoline. Social differences are growing enormously, and we are becoming a so-called two-thirds society, in which the middle class has been destroyed by the communist policy of the SPS [Socialist Party of Serbia]. As the name itself indicates, in such societies as much as two-thirds of the population lives below the subsistence level while the other one-third, without legal identity, unscrupulously takes advantage of this situation and grows rich. Through this additional printing of money, the government is essentially showing that it has no program whatsoever. No social program especially, because fresh money is needed for that. In normal states, social programs are drawn up for the most threatened strata, and thus for no more than 5 to 10 percent of the population, while here that "status" is enjoyed by at least 60 percent of the people.

"Serbness" Anesthetizes Masses

[Radovanovic] Does that mean that the majority of the people have already grown accustomed to misfortune and indigence and have accepting merely surviving?

[Stojanovic] Clearly the financial psychology, which in our country is characterized by "Serbness" and which is once again best reflected in the nihilistic logic "that things can always be worse," is having an extremely anesthetizing effect on the masses. At the same time, a large part of the Serbian population did not want to listen to the warning by responsible experts not to invest money in "Jugoskandik" and "Dafiment Bank," because no one serious and normal can regard Boss Jezda and Ms. Dafina as bankers; they existed only thanks to the fact that they racketeered the system. Nevertheless, we must be sobered up. The people will realize what kind of situation this is the morning that they run out of bread and milk. In our situation, that is impossible to avoid, and then there will be a short, but violent social uprising in the major urban centers.

[Radovanovic] What will happen then?

[Stojanovic] Then a concentrated government of experts, after a political accord is reached, if reason prevails, must take things into its hands and begin looking for ways out of the agony, but it must also offer longer-term solutions for the formation of a new economic system in Serbia. Because the Serbian economy has long since collapsed, and the only one who has had the courage to say so in public was former Prime Minister Stanko Radmilovic. But even after him we continued to live an illusion of life, a semblance of reality, with the help of a command economy. However, no one has succeeded in finishing off the Serbian economy in such a short time as Dr. Radoman Bozovic managed to do, out of sheer ignorance. The sanctions were later added to this—and here we are. The process of emerging from the agony of recovery, I repeat, will be long and painstaking, and naturally the people will pay the price. However, all of this can be done unless there is civil war in Serbia or this Yugoslavia, which is very possible. Unfortunately, that would spell the end of certain other notions as well...

New Loans for Electric, Oil Industries

93BA1092C Belgrade POLITIKA in Serbo-Croatian 21 May 93 p 12

[Article by M.Nj.: "Money From the Printing Plant for Electricity and Petroleum"]

[Text] Warnings from the electric power industry and NIS [Petroleum Industry of Serbia] that the supply of power and domestic petroleum will be very uncertain next winter without "fresh" money have been taken very seriously. There is evidence of this in the leaps being taken in power rates in order to extract from the customer a few dinars not only for salaries, but also for repairs. Nevertheless, the electric power industries of Serbia and Montenegro, and also the Pljevlja Mine need more than $100 million (in dinars and foreign exchange) in order to be ready for the still greater loads on the network than we had in the season behind us.

It is expected that in a day or two the Board of Governors of the NBJ [National Bank of Yugoslavia] will approve a substantial amount of money to buy everything on the lists furnished to the federal government and the competent ministry. The lists are not short. In any case, the federal government has already given the "green light" to the requests of the electric power industry. The same is true of the needs of NIS and NIS Naftagas, producers of petroleum and gas. Because there is no money for further investment in the very good Turija North oil field, which in a year or two could yield all of 500,000 tons of petroleum a year (now total annual petroleum production in the country is about 1.2 million tons), sources of money need to be found for more extensive exploitation of petroleum. Because all the

material on balances, on compliance with monthly balances, on the money needed are marked "Strictly Confidential," it is sufficient only to say that with the money that the NIS expects, the Turija North field could furnish at least 200,000 tons of petroleum this year. Money has also been requested to stimulate exploitation of petroleum in Stig (about 11,000 tons per year would be extracted), but the question is whether there will also be money for that. From what we have learned, for the present the request of the NIS for approval of money to continue construction of the underground natural gas storage facility in Banatski Dvor did not pass.

If the money arrives on time, if everything we have seen on the lists supplied to the government is furnished, the electric power industry would again be able to get the public through the winter. At what price remains to be seen.

Debate Between Government, Trade Union

93BA1092B Belgrade POLITIKA in Serbo-Croatian 21 May 93 p 12

[Article by M. Petric: "The Trade Union Makes a Charge, the Government Replies in Kind, and Poverty Grows"]

[Text] The government of Serbia has not honored the obligation it assumed in the March agreement with the trade union, so that nearly all population categories, from the employed to the retired, are in financial need. It is essential, then, to invigorate production, to regulate the supply lines to the public, and to halt the drop of real income.

Prices, which have risen above the level of 98 percent in the last 15 days, which devalued the April price of labor in the amount of 6.02 million, must be rolled back. In future, the price of labor must be sufficient to buy what is referred to as the minimum consumer's market basket. The income spread must not be greater than 1:5, and everything above the lowest price of labor should be taxed, differentiated up to three times that amount, and progressively over the spread up to fivefold greater than the lowest earning.

The Trade Union Is Also Protecting Those Who Are Not Working

In addition to these conclusions, in its meeting yesterday the Presidium of the Serbian Trade Union demanded above all from the government that it take over regulation of the status of workers on mandatory leave and take care of them, guarantee financial discipline, or, in other words, put a stop to the black market. Unless it is all solved in 15 days, it will seek resignation of the government. That, put most succinctly, would be the epilogue of the debate that lasted several hours in the trade union meeting, which was also attended by Dr. Zoran Arandjelovic, deputy prime minister, Momir Pavlicevic, minister for industry, and Dr. Jovan Radic, minister for labor and social welfare policy.

In the very heated and polemical debate, trade union representatives reproached the government for having done little toward uniform distribution of the burden of the blockade, for speeding up inflation by printing money, which ends up on the black market instead of in the factories, for permitting uncontrolled price increases, and many other things.... Dr. Arandjelovic, who recalled that there had been success, insofar as it was possible, in maintaining production in key segments, remarked that prices nevertheless were the most difficult problem now. If it is to some extent explicable that the prices of energy and transportation should be skyrocketing because of the blockade, it is a fact that the gray economy, but also the behavior of certain enterprises, more precisely their management, have also had a share in their uncontrolled growth.

In his interpretation, when the professional management gets the money from primary note issue allocated to factories for production, sometimes "they give a portion to the workers, and with the other part they make chaos on the black market." Although there were demands for Arandjelovic to name such enterprises and directors, his retort was that trade union representatives in those factories are "helping" them by not raising their voice against such things, referring to this as a double standard. At the same time, certain industry trade unions, in order to protect the rank and file, are putting pressure on the government to raise salaries. The government, in his words, cannot ascertain in the factories who is also working on the side or has land in addition to the compensation for mandatory leave, but the enterprises themselves would have to make that selection. As for pumping up inflation through the black market, the effect of the so-called dealers is between 10 and 15 percent, but the rest is rather "the doing of the banks and enterprises, and this must be put in order."

There Are Programs—There Is No Money

Arandjelovic also reproached the trade union for keeping silent about various cases of idleness in enterprises, for "protecting those who will not work when they are able to," alluding to the moratorium on discharges during the blockade. At the same time, he recalled that in its next meeting the government will prepare the social welfare program.

All of this did not, of course, escape a response from the trade union, especially concerning the double standard, and there ensued an entire torrent of evidence that up to now the trade union has in fact been excessively tolerant and lenient toward the government, and in return the poverty is worse and worse. Because the deputy prime minister had to leave this meeting at about 1230 hours because of other obligations, additional explanations were offered by the minister for industry. Acknowledging that prices are actually the most problematical area, Pavlicevic noted that even in the highest bodies of government there is no agreement on how to solve it: Some favor a freeze, others are opposed, and probably the road with the fewest bad consequences will be

chosen. Nevertheless, production is the most urgent, in some places its drop has been halted, but not enough as yet. Incidentally, the problem does not lie in writing social welfare programs, he said, but in the lack of the means to carry them out, because the "coverage in production is lacking." "We do not have the material capabilities for a good social welfare program, that is something that should be said, and primary note issue is not a real solution," Pavlicevic said.

An innovation in the fight against embezzlement is a draft law under which anyone is fired if in addition to his employment in an enterprise, he also has private firms, and this also applies to those who know this and do nothing. The proposal has been approved in the government. Its subsequent fate is still unknown.

Proposed Law on Enterprises Discussed

93BA1075A Belgrade BORBA in Serbo-Croatian 17 May 93 p 8

[Interview with Belgrade law professor Dr. Mirko Vasiljevic by Dara Vucinic; place and date not given: "Dr. Mirko Vasiljevic on New Law on Enterprises: Current Anarchy Well-Suited to Speculative Capital"]

[Text] *We made maximum use of the experience of developed free-market countries and their laws and practices in preparing the latest variant of our Law on Enterprises in order to establish in our territory two central market institutions—private ownership and contracts—as well as the entire legal setting that must accompany these institutions in order for them to even function.*

These are the words of Dr. Mirko Vasiljevic, a professor at the School of Law in Belgrade and the head of the expert group commissioned by the federal government to work on this legislative project, which the Federal Assembly is to enact in mid-year. It has already passed some parliamentary bodies, but here and there rumors are heard to the effect that enactment could nevertheless be delayed.

"I hope that it will not be," says Dr. Vasiljevic, "although such intentions do exist, judging from the sluggishness of some of the work associated not so much with this law as with the Law on Ownership Transformation. The two are interconnected, and neither of them pleases those who are very pleased by the current legal uncertainty, lack of regulation, and lack of clearly stated rules of the game, i.e., anarchy. Both inside and outside enterprises."

[Vucinic] When the current Law on Enterprises was enacted a couple of years ago, the people who proposed and adopted it asserted similar things: This will bring the transition to new ownership relations, a market economy, business based on world models, etc.?

[Vasiljevic] That law only launched the process of forming new ownership relations in enterprises. Practically everything else remained unregulated. The slogan that everything that is not prohibited is permitted was even politically imposed. That sounds like market liberalism and freedom, but at the time even the famous jurist Bogosic warned of the danger of fetishizing that war cry. Because it is also true that whatever is not prohibited might not be respected and does not have to be done. In developed free-market countries, even if there are no strictly spelled-out rules, there exists the rule of good business practices, a business morality that cannot be violated. In our country, unfortunately, that has not been fostered, and so for that reason, because there is practically no business morality, the conditions exist for total legal anarchy. For speculation in enormous amounts of capital. For complete legal uncertainty. And after political uncertainty, legal uncertainty is the key factor for the refusal of foreign capital to enter a country, regardless of its ownership relations. But the entry of foreign capital will be quite essential for us once we emerge from this blockade, in order for the economy and society to be transformed, restructured in terms of ownership, and to undertake business with the rest of the world, according to identical or similar rules of conduct.

[Vucinic] Once foreign capital comes, is there the risk that we will be colonized more than we would like?

[Vasiljevic] Recently the Hungarians have sold lots of enterprises to foreigners. They have closed those enterprises and forced their own products onto the Hungarian market. That is not good.

[Vucinic] Does that mean that foreign investments should be limited by law?

[Vasiljevic] I think that something different should be done, something that we have not done thus far, neither in the current Law on Foreign Investments nor in the new variant that is currently being "touched up." It is necessary to define a strategy toward national priorities and foreign investments in them, and we clearly should not give foreigners lump-sum favors and conceptions for everything under the sun; rather, this should be in accordance with our interests. In insurance and trade, for example, capital will come even without customs exemptions. This means that favorable terms should be given to investments in agriculture, tourism, small and midsize enterprises, new technology, and so on. We could use this interruption in ties with the rest of the world to look at what the national priorities are, according to which we should define the favorable terms for future foreign investments and, naturally, for a system of guarantees—from investment security to capital transfers, blocking nationalization, requisition, expropriation, and so on. This system must be competitive with countries around us that are also in a position of transition from the old system to the new one—a free-market system, because of which they too need foreign capital.

[Vucinic] In your assessment, is this law a complete "copy" of other countries' laws?

[Vasiljevic] No. Under it we will have some enterprises that will be able to function according to all the models under which companies in Western economies function, which are pure proprietary companies, but we will also have those that will be unable to do so, because other forms of ownership will be preserved in our country for a rather long time: pure state ownership, mixed, and so on. We cannot break with the situation that is our reality over night, because ultimately 80 percent of all employees in our country still work in the social sector. Transforming them into private enterprises will be a long process, and I do not think that it has to be uniform like, say, the previously chosen model of worker stockholding, which can only serve to put out the fire with a certain additional capitalization, but which cannot result in enterprises that will actually function like in Western market economies, neither from the viewpoint of administration, nor from the viewpoint of control, nor from the viewpoint of management, responsibility, a change in mentality, work habits, etc.

[Vucinic] You are not favoring majority capital with this law?

[Vasiljevic] Not all the details have been worked out, but we are trying not to favor any single interest through this law, unlike previous ones. It is known that at one time we fetishized management based on labor. Then we went to the other extreme—we imposed only management based on capital. But it is precisely here that there should not be situations of conflict, because if that lasts for a long time it will affect the firm's stability.

That is why we have decided, among other things, to include worker participation in management in the legal standards, so that everything does not depend on the owner's will alone. This is true especially of enterprises that are not exclusively private. Thus, the enterprise must be regarded as a symbiosis of all interests, both majority and minority, regardless of how much someone's share of capital is—social, private, state. Abuses of majority capital must be thwarted, because it is not that rare for it to also be speculative capital.

[Vucinic] Since you say that both the government and others must abandon, as soon as possible, the illusion of the possibility of efficient social ownership, what does one do until the process of ownership transformation is completed?

[Vasiljevic] I think that besides worker stockholding, we should most of all force the contract leasing of enterprises with clearly stipulated rights, obligations, and responsibilities. The Hungarians are using this quite successfully. I think that this would halt, at least to a certain extent, the erosion of social capital until the conditions are in place for faster privatization and ownership transformation. Smaller enterprises could be sold with mortgage loans. That has not been used thus far. All of this is better than deluding ourselves with the uniform transformation of all enterprises based on the model of worker stockholding. And all of this is possible even in these current, abnormal, difficult, and arduous times, at least to a certain extent.

[Box, p 8]

Confederal Obstructions

"I am afraid," says Prof. Vasiljevic, "that it will be hard to enact the law on ownership transformation on the federal level for the simple reason that the republics have enacted their own laws on this in the meantime. And they differ greatly. Under the Montenegrin law, the part of social capital in an enterprise that is not transformed to private is turned over to state administration. There have been experiments like this in Serbia too, especially in Kosmet [Kosovo and Metohija], but this has not proven effective. Thus, in Serbia this social capital has the status of enterprise capital, because it is really hard for the state to be a good businessman, even if it is only because it must deal with its social role instead of looking at the economy exclusively in market terms. Thus, I am afraid that some general principles will be enacted, to which everyone will agree, while in practice everyone will operate according to their own republican law, as is the case with the current tax system and other legislation that in practice is getting in the way of the job of giving shape to the most appropriate model of a federal law on enterprises."

Future Law on Scientific Research Viewed

93BA1092D Belgrade POLITIKA in Serbo-Croatian 21 May 93 p 14

[Article by S. Stojiljkovic: "Private Operators Are Investing in Institutes"]

[Text] For the first time since the war, private operators will be able to invest money in domestic scientific institutes, which means that all forms of ownership are equal. This is envisaged by the future law on scientific research in Serbia, whose proposed version was accepted in a meeting on Wednesday by the republic government, and by the end of the month, it is expected, the National Assembly should adopt it.

Dr. Slobodan Unkovic, minister for science and technology, yesterday told newsmen that this fundamental statute expresses the general interest of the Republic of Serbia in scientific research, but consistent with the Constitution. Emphasis is put on 11 programs for which money is being allocated from the budget.

The government, it is being announced, will soon adopt a policy governing scientific and technological development, and on that basis, in collaboration with about 200 of the most distinguished scientists, a competition will be advertised. The Serbian Academy of Sciences and Arts, Matica Srpska, the universities, university schools, institutes, and R&D units will be able to compete for the programs and the money.

The ministry has proposed that about 1 percent of the social product be allocated from the budget this year for scientific and technological development, but the government, mindful of the situation we are in, agreed to 0.6 percent. If the approximately 0.2 percent from federal sources is added to that, nearly 0.8 percent of the social product is earmarked for science and technology.

The law allows all forms of ownership, but the opinion of the government will be sought in cases of change of owners in institutes which the government established. That applies to nearly 80 percent of the existing institutes.

The government, however, did not want to prescribe reorganization of institutes, and is leaving it to each of them to adapt to the new conditions in which money is granted not to institutions, but to programs. The law defines the "rules of the game," and the institutes will themselves assess whether they can comply with them or not. All those who cannot get up to the government feeding trough will have to get by as best they can. In essence, support is going to the best.

Conditions have likewise been defined for participation in the competition and for conclusion of contracts with the government, among which the most important is the one that specifies how many Ph.D.'s and M.A.'s the institutes must have. Should there be any change at all during the period of fulfillment, the contract is canceled.

Nor has evaluation of scientific creativity been neglected; this will be covered by a new enactment governed by the new law. Incidentally, the most prestigious among the scientists will have the main say in scientific and technological policy. But "scientific creation," it states in Article 3, "is free and subject to scientific criticism."

Macedonia

Albanians Will Not Accept Name 'Slavo-Macedonia'

AU0906130693 Pristina KOSOVA DAILY REPORT No 114 in English 8 Jun 93

[Unattributed report: "'Slavo-Macedonia' Unacceptable to Albanians"]

[Text] In an editorial published in today's edition of BUJKU, commenting on the proposal put forward by Serbia in regard to the new name of Macedonia, the columnist says amongst others:

During a half secret trip to former Yugoslav Republic of Macedonia, where he met with President Gligorov, Serbian President Milosevic presented himself as an intermediator in the dispute between Athens and Skopje over the future name of this newly independent republic. Milosevic proposed the name Slavo-Macedonia, a solution which, indirectly, seems to be acceptable to the Greeks.

Although neither Serbia nor Greece have any sizable community in former Yugoslav Republic of Macedonia, Milosevic and Mitsotakis attempt to be partners in the affairs of this state whose authorities stand firm in their national-Communist position.

The name Slavo-Macedonia cannot be acceptable to at least 40 percent of the population of the former Yugoslav Republic of Macedonia as the Albanians—who make up around 35 percent of the population—and Turks, Vlachs, Greeks, etc. are not of Slavic affiliation. The new name of this republic could by all means reflect the multi-ethnic composition.

The uni-ethnic label of multi-ethnic states, such as Yugoslavia and Czechoslovakia, brought about their disintegration eventually.

The name Slavo-Macedonia would satisfy the pan-Slavic appetites of Serbs and others, but would also exacerbate the relations between the Slavic population and the non-Slavic ones. The Serbian-Greek game in connection with their new proposal should be viewed as a tendency to kindle Macedonian-Albanian conflicts, the name being a source. The authorities of the former Yugoslav Republic of Macedonia should be aware of the fact that Macedonia cannot exist as a state by defending interests of Milosevic and Serbia and Mitsotakis and Greece.

The Albanians will not accept to live forever as second rate citizens in the former Yugoslav Republic of Macedonia says BUJKU on Tuesday.

Kosovo

Serbs Threaten To Confiscate Albanian Housing

AU0806194593 Tirana ATA in English 1202 GMT 8 Jun 93

[Text] Tirana, June 7 (ATA)—The Serb authorities in Mitrovice warned that they are going to get possession of 230 houses belonging to the Albanian workers, violently dismissed from work over the last two-three days. The apartment blocks built recently will be given only to the Serbs and Montenegrins, although they were built on the sweat of the Albanian workers.

Deputy on Serbian National Interests in Kosovo

93BA1092A Belgrade POLITIKA in Serbo-Croatian 21 May 93 p 9

[Article by Biserka Matic based on interview with Tomislav Sekulic, federal deputy: "Kosmet Is Burdened With Illusions"]

[Text] In a conversation about Kosmet, Tomislav Sekulic, mining engineer, federal deputy, and certainly a trustworthy source of information and interpreter of events there, insisted that we begin with Bosnia. The reason was the uncertain destiny of Serbs across the Drina and last week's parliamentary meeting in the Sava

Center in Belgrade. The assessment "We Serbs from Kosmet have a very fine ear so that we understand the Serbs in Bosnia and Herzegovina [B-H] and Croatia more than others do" included, by all appearances, the suffering through which the Kosmet Serbs have gone and are going.

Asked how he perceived the meeting of the three parliaments and representatives of the Serbian Republic [RS] and the republic of Serb Krajina [RSK], Sekulic replied:

"Their isolation in that meeting pained me. I was disappointed and saddened that we are too politically immature to understand one of the most serious moments in the history of the Serbian people. That day, we were dealing in a practical way with the adverse consequences of a policy in dealing with the Serbian nationality question and attempting to rescue what could be saved. History will render judgment about it all, but everything that today is portrayed as bad has resulted above all from the lack of an integral national program. Those Serbs there did not set out alone, nor are those their problems alone. This is a big burden for them to carry alone. Perhaps the well-known deputy from Trstenik best expressed the confusion when after that meeting he said rather loudly: 'What do the Serbs in Bosnia and Herzegovina want? They think that my Serbians are going to get their pants bloody because they cannot live with their neighbors.'"

Who Are We if We Cannot Agree on Kosmet

Tomislav Sekulic explains that we have not had sound assessment and it therefore turns out that we have undertaken everything on the principle of having a go, come what may. Afterward, you do not know how much to let go and give, where and when you will stop.

Emphasizing that in the history of humanity the world has never been so united on one issue as it is concerning Bosnia, Sekulic says that there are two things that have been decisive in creating that uniform platform: First, the way we went about resolving our nationality question, specifically convergence around nationality with the ultimate objective of joining the mother country, and then the fact that the international community does not want to see a strong and larger Serbia in the Balkans. According to him, the world has not wanted to honor and understand that the destiny of all Serbs who remain under Croats, Muslims, and Albanians is equivalent to eradication, because of the laws and ultimate intentions of those under whom they remain.

It Is a Mistake To Believe That Everything Has Been Settled in Kosmet

"When we are pushed to the wall, the issue that has arisen periodically for the Serbs for 200 years now again becomes relevant: Serbia or Serbism? Again, the prevailing view has been: First, Serbia and Montenegro, and that on behalf of Serbism as a whole. Presumably, we were unable to do anything else or did not dare," Sekulic said. "The question of a national program and conception is still an open one, and disagreements may also arise over Kosmet. There is indication of this in the differing approaches that exist among the parties in Serbia and in political views. Some," Sekulic explains, "say there should be no autonomy and no province, others favor cultural autonomy, still others something more, while a fourth group favors division, and all this confuses ordinary people."

"Kosmet is not Bosnia. If we differ over this, then the question arises of the existence of the state of Serbia and the balance tips toward those who really want to break it up. Unless we agree on this, there is a question of what we can agree on at all. What are we, then, and who are we?"

Sekulic believes that we should not exhaust ourselves with competition between parties detrimental to the interests of the nationality and the state, that the international community perhaps will not repeat the mistakes that it made in the disintegration of the SFRY, and he thinks that much of that—in deciding the issue of Kosmet—depends on us ourselves, especially because the rule that governs in the world today is that there are no rules. Reminded that on 5 July it will be three years since the Assembly and government were suspended in Kosovo and in response to the question of what does the state of Serbia have to show and what is the situation today, Tomislav Sekulic replied that after that the Albanians set out on a broad scale and peacefully to resolve and internationalize their question. Having subordinated everything to that, they have achieved an unprecedented homogenization on an anti-Serb platform, categorically refusing to recognize the state of Serbia and its laws. At the same time, they have gone to the hilt in gambling for the maximalist option, Kosovo a republic and secession.

"That peaceful manner of theirs and way of resolving the problem has given some Serbs a serious illusion that the job has been done in Kosovo. The Albanians in Kosmet have organized a parallel life and managed to create certain nuclei of future independence and statehood which are today functioning before the eyes of the Serbian government, which is not trying in any way to win their loyalty."

The Albanians, according to Sekulic, are displaying a high degree of skill and resilience in surviving and persisting along that road. The Serbian side is mainly silent.

"Regardless of everything," Sekulic said, "after all their trips around the world and after spreading illusions that the United States and others will help them, the Albanians in the end will have to sit down with the Serbs and work out the problems together. There has always been war when others became involved, and that is the worst option for everyone."

The Albanians, our informant recalled, are constantly on the offensive, offering diverse and radical options, from

complete independence and special status to a protectorate, etc. They are traveling, operating, and working unhindered in the state of Serbia, which they do not recognize and which they want to do everything to destroy.

Everything in Kosmet Has Become Temporary

Asked what happened to the large programs, desires, promises, and hope, Tomislav Sekulic retorted that things have taken a different turn in part because of the wars that have sprung up, but more because of our own shortcomings and mistakes. He said literally: There has been no progress whatsoever toward strategic objectives. All illusions are spent.

"Everything in Kosmet has become temporary: the police, the officers, the experts in temporary entities and management committees, the district chiefs, various government officials, directors of business firms, many of them acting directors, deputies, mailmen, transportation workers, teachers, etc. Most have both feet outside Kosmet, and a large number with one foot outside. They are here temporarily, no one brings his family."

In the opinion of Tomislav Sekulic, the greatest mistakes were committed in personnel policy. Various profiteers, ostentatious national heroes and saviors were imposed and supported, and actually they have done most to compromise the official government.

"Everyone knows that Kosmet has a peculiar feature, which is division into the so-called old settlers and the newcomers. Everything is decided, covered, and justified by them," according to Sekulic. "They are used to justify the fact that the southern province has no representatives in any government, that it does not have the requisite number of representatives in the republic bodies of the Socialist Party, the divisions are even blamed for the closing down of Trepca, because the opstinas, although they do not make the decision on that, are quarreling and divided over where the firm's headquarters are to be located. The divisions are also blamed for the fact that the confusion of incompetent officials has been improvising and compromising the Serbian government here and openly stealing and plundering. It is again the division that accounts for their being no well-thought-out coordination of effort and firm vertical or horizontal ties to the republic. The divisions have become the style and method of operation, the means of discrediting someone and holding him in check, of pursuing personal interests and the interests of the clan. The divisions are the greatest cynicism, deception, and demagogy being foisted off on this people."

At the end of the interview, Tomislav Sekulic said: "The divisions will persist until a certain balance of power in the continuity of personnel and a certain conception of Kosmet reality are attained. But I personally accept only the division into those who have firmly bound up their destiny with this people and this space and those who are transient. All the rest is manipulation."